

Paliani Chinguwo (Mr.)

Southern Africa Trade Union Coordination Council

Box 601557, Gaborone. Botswana.

E-mail: paliani.chinguwo@satucc.org or palianic@yahoo.com

Mobile: +267 758 06531

Paliani Chinguwo holds a Masters of Arts (M.A) degree in Labour, Policy and Globalisation obtained from the University of Witwatersrand (2011). He currently works as a programmes officer at the Southern Africa Trade Union Coordination Council (SATUCC) in Gaborone, Botswana. He also serves as a senior researcher in the Africa Labour Research Network (ALRN). His recent book published in 2012 by Lambert Academic Publishing is entitled: *Impact of 2008 Global Financial Crisis on Workers at FORD in South Africa.*

August 2015

Workers' Rights and Labour Protection in Southern Africa: Context, Status and Sub-regional (SADC) Policy Response.

1.0. Introduction

Southern Africa Development Community (SADC) countries are projected to continue to be among the fastest growing economies in the world for the next few years. Besides, SADC region has also managed to achieve 100 per cent ratification of the International Labour Organisation (ILO) core conventions including 87 and 98 on freedom of association and protection of the right to organize, and the right to organize and collective bargaining respectively.

Nevertheless, impressive economic growth in Southern Africa coupled with 100 percent ratification of ILO core conventions have not yielded commensurate dividends with regards to poverty reduction, job creation, workers rights promotion. Labour market analyses by International Labour Organisation (ILO) indicate the inability of the formal economies to generate adequate decent job opportunities for the youth and women. In addition, the SADC sub-region continues to experience gross violations of workers' rights.

From a trade union perspective, this paper seeks to critically discuss the state of the labour market situation in SADC sub-region within the context of decent work. Besides suggesting strategic interventions in this regard, this paper also provides a critique of the sub-regional (SADC) overall policy approach towards addressing the triple challenges of high unemployment, poverty and inequality in SADC sub-region.

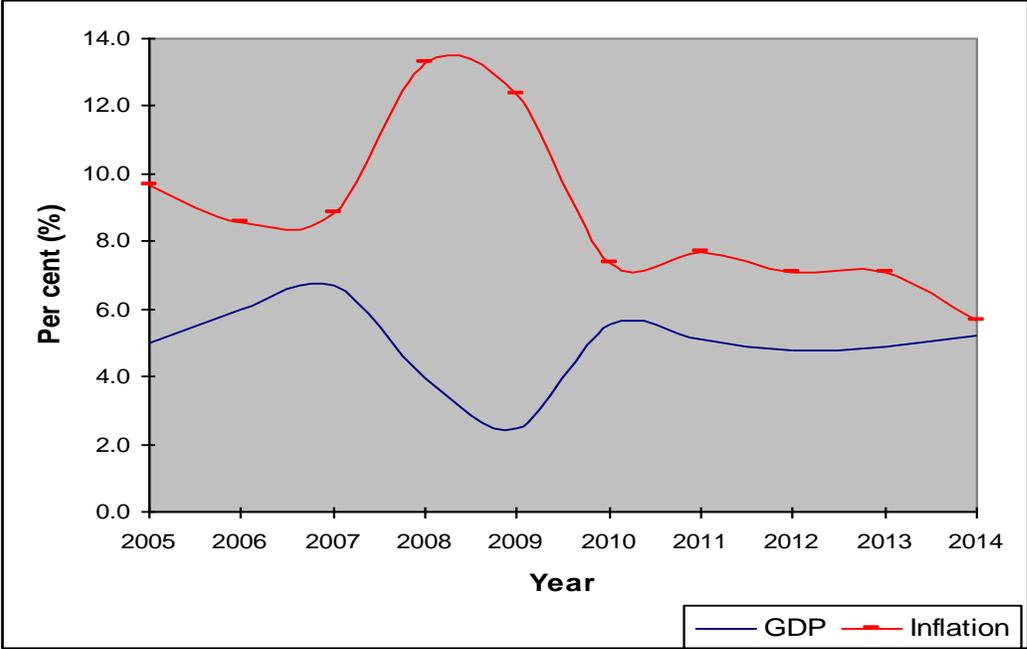
2.0. Growth and policy interventions on employment in SADC region

With a total population of about 200 million and combined GDP of about US\$ 190 billion, the SADC region's growth rate is estimated at around 6 percent per annum (SADC, 2013).

For the past five years, the performance of all SADC Member States (except Malawi, Zimbabwe, and Democratic Republic of Congo) was generally impressive with regard to the fiscal balance and public debt targets of 3 and 60 percent of GDP respectively. Since 2010, the SADC region has

been able to achieve single digit inflation. Within the same period, the SADC region also registered real GDP growth within the range of 4 to 6 percent on average (SADC, 2014a).

Figure 1: SADC real GDP and inflation



Sources: SADC Central Banks; SADC Macroeconomic Sub-Committee; and IMF World Economic Outlook April 2014

However, in 2013, the real GDP growth rates of the Democratic Republic of Congo (8.5 percent), Mozambique (7.1 percent) and Tanzania (7.0 percent) were above the SADC regional target of 7 percent. This was largely attributed to improved production in the mining and quarrying, agriculture, transport and communication sectors (ibid).

In addition to this, SADC Member States (except Mozambique, Namibia, Seychelles, South Africa, Zambia and Zimbabwe) have been able to curtail budget deficits and public debt to sustainable levels and met the SADC regional target of 3 percent of GDP (ibid).

Despite weaker than expected global economy, growth prospects for countries in Southern Africa remain positive. Though growth slowed down in South Africa and Angola in 2014, by contrast,

growth remained robust in Mozambique and Tanzania in the same year. Generally, a number of countries in the SADC region will continue to be among the fastest growing economies in the world (World Bank, 2014).

One interesting observation is that within the last past five years, all SADC Member States have implemented and in some cases reviewed the implementation of the first generation of their respective Decent Work Country Programmes (DWCP) premised on the four pillars of the ILO Decent Work agenda namely: Employment creation, Workers' rights, Social protection and Social dialogue.

Besides, SADC region has achieved 100 per cent ratification of the ILO core Conventions including 87 and 98 on freedom of association and protection of the right to organize and the right to organize and collective bargaining respectively (SATUCC, 2013).

At regional level, as part of attempts to address the challenges confronting the labour market, the SADC is currently implementing the Regional Decent Work Programme (2013-2019) which among others consists of the following outcomes: International Labour Standards ratified, domesticated and complied with; Youth Employment Promotion Strategy Promoted; Compliance with SADC Codes (Social Security, Child labour, safe use of chemicals, HIV and AIDS, TB in Mining; Decent work promoted in the informal economy in SADC Member States (SADC, 2013).

Further to this, in August 2014, the Protocol on Employment and Labour was finally signed by the SADC Heads of States in Victoria Falls, Zimbabwe. The strategic objectives of the Protocol include to facilitate (through close consultation among the social partners and other stakeholders) the attainment of framework for harmonisation of policies and legislation on employment, labour and social security, safety and health standards at the work place and enhancing cohesion and common approaches to labour market challenges. The Protocol also essentially provides a legal basis to guide the operations of the SADC Employment & Labour Sector (ELS) in line with the Article 22 of the SADC Treaty (SADC, 1992; 2014b).

The year 2014 marked the 10th anniversary of the historic Ouagadougou Declaration on *Employment Creation and Poverty Alleviation* issued during the Africa Union (AU) Extra-ordinary Summit held in September 2004 in Ouagadougou, Burkina Faso, at which AU Heads of States and Governments (including those from the SADC region) undertook a critical review of the employment and poverty situation in Africa. They agreed that one effective means to alleviate poverty is the creation of adequate, productive and decent employment opportunities for all. Hence the AU Heads of States committed themselves to placing employment creation as an explicit and central objective of economic and social policies at national, regional and continental levels for sustainable poverty alleviation in Africa (AU, 2004).

A year later, the Heads of States from the SADC region attended the 2005 United Nations (UN) World Summit in New York which was billed as the largest gathering of world leaders ever organised. Among the resolutions made at this 2005 UN World Summit, the Heads of States (including those from the SADC region) committed themselves:

“to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of our relevant national and international policies and strategies.” (UN, 2005)

Further to this, the meeting of the SADC Ministers of Labour and Social Partners held in Windhoek, Namibia from 31st March to 1st April 2011 urged all SADC Member States to ratify the four conventions as identified by ILO as priority conventions. Among these four ILO priority conventions is Convention No. 122¹: Employment Policy which requires the ratifying states to declare and pursue an active policy designed to promote full, productive and freely chosen employment. It thus stipulates:

¹ The other three ILO priority conventions are: Labour Inspection (Industry and Commerce), Convention 1947 (No. 81); Labour Inspection (Agriculture), Convention 1969 (No. 129); Tripartite (International Labour Standards) Convention, 1976 (No. 144).

Article 1

1. With a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment, each Member shall declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.

2. The said policy shall aim at ensuring that:

(a) there is work for all who are available for and seeking work;

(b) such work is as productive as possible;

(c) there is freedom of choice of employment and the fullest possible opportunity for each worker to qualify for, and to use his skills and endowments in, a job for which he is well suited, irrespective of race, colour, sex, religion, political opinion, national extraction or social origin.

In spite of the commitments made in the 2004 Ouagadougou Declaration by AU Heads of States on *Employment Promotion and Poverty Alleviation* and under the 2005 UN World Summit Resolution on *Employment* that countries should place employment creation as an explicit and central objective of development policies and strategies at national and international levels (AU, 2004; UN, 2005), among the 15 SADC member states, only 3 (Madagascar, Mozambique and Zambia) have so far ratified the ILO Convention No. 122.

3.0. Poverty situation in Southern Africa

It is paradoxical that impressive macro economic performance in Southern Africa has not yielded commensurate dividends with regards to poverty reduction. For instance, 40 percent of the SADC region's population still lives in conditions of abject poverty (SADC, 2013).

Table 1: Elasticity of poverty in relation to growth and inequality

Region/sub region	Growth	Inequality
East Asia & Pacific	-2.47	3.49
Eastern Europe & Western Asia	-4.22	6.85
Latin America & Caribbean	-3.08	5.00
Middle East & Central Asia	-2.75	3.91
South Asia	-2.10	2.68
Sub-Saharan Africa	-1.57	1.68
North Africa	-3.17	4.82
West Africa	-1.80	2.02
Central Africa	-1.35	1.31
East Africa	-1.40	1.32
Southern Africa	-1.65	2.18

Source: UNECA Economic Report for Africa (2012)

Recent global estimates show that sub-Saharan Africa (including Southern Africa) has the lowest growth–poverty elasticity in the world. For instance, as shown in Table 1 above, a 1 per cent increase in growth reduces poverty by only 1.6 per cent, but by 3.2 per cent in North Africa and 4.2 per cent in Eastern Europe and Western Asia, which has the highest elasticity. While in Sub Saharan Africa a 1 per cent increase in growth reduces poverty by 1.7 per cent which is still relatively low as compared to East Asia & Pacific, Eastern Europe & Western Asia and Latin America & Caribbean regions (UNECA, 2012).

The SADC region is among the regions of the world where progress is lagging the most on the Millennium Development Goals (MDGs). For instance, only 52 percent of the target has been met on undernourishment, and only 35 percent of progress made on the primary school completion rate (World Bank, 2014).

While substantial gains have been made on the health MDGs, child mortality rates remain high in the SADC region and women face a life time risk of maternal death that is about 90 times greater than for women in high income countries (ibid).

Water and sanitation targets also remain a challenge for the SADC region. Almost 90 percent of the richest fifth of the population use improved water sources, while only 35 percent of the poorest fifth of the population do (WHO and UNICEF, 2013).

4.0. Labour market situation in Southern Africa

While economies in the SADC region have been registering impressive growth, there is still little progress being made in reducing working poverty and vulnerable forms of employment such as informal jobs and undeclared work (ILO, 2014).

In the SADC region, employment growth remains weak, unemployment continues to rise particularly among young job seekers, and large number of potential workers remain discouraged and out of the labour market. Those who are unemployed are facing longer waiting times to secure employment, with corresponding increase in the mismatch between the skills and employability of these job seekers and the needs of the labour market. The vulnerable employment rate in the SADC region is estimated at 77 percent which is among the highest of all regions of the world (ibid).

Labour market analyses by ILO also indicate the inability of the formal economies to generate adequate decent job opportunities for the youth and women. With a growth rate of the working age population at 2.8 percent, Sub Saharan Africa is overtaking the Middle East as the region with the highest rate of growth in the working age population. More than 60 per cent of Africa's population (including the Southern Africa region) are engaged in low-paid, unpredictable and informal jobs which offer little in terms of job security, decent wages and social protection (ibid).

It can therefore be concluded that the youths in the SADC are more likely to be in the informal sector, unemployed or underemployed. Being in the informal sector it means a large proportions of the youth and women face poor working conditions, low wages, and absence of legal and regulatory framework to protect them.

In addition, gross violations of workers' rights are appalling in the SADC region. For instance, public sector employees in some countries are prohibited to form or join unions and where they

are recognized, they have no bargaining rights e.g. Lesotho and Zimbabwe. Employers in Export Processing Zones or special industrial zones remain hostile to trade unions, refusing to recognize them or let them carry out their trade union activities at the workplace or engage in collective bargaining with them e.g. Swaziland, Mauritius and Namibia. Rights violation is also common among workers contracted by labour brokers, a practice that continues to become wide spread in the SADC region (SATUCC, 2013).

Above all, at the SADC Member States level, (except South Africa) social dialogue remains ineffective partly due to the restricted mandate of the tripartite institutions which limits them to consultations on strictly labour matters only. Besides, generally, the workers' and employers' organisations in SADC Member States lack the capacity to influence policy at national level.

Suffice to argue that access to safe, productive and fairly remunerated work is an important means for individuals and families to gain self esteem, a sense of belonging to the SADC region and an effective way to make a productive contribution towards national development and regional integration.

Where jobs are scarce as it currently the case in the SADC region as already discussed above, there will always be less growth, less security and less human and economic development in Southern Africa.

As enshrined in the 2004 Ouagadougou AU Declaration on *Employment Promotion and Poverty Alleviation*, 2005 UN World Summit Resolution on *Employment* and ILO Convention No. 122; full, productive and decent work should therefore be elevated to the pinnacle of development policy and planning priorities at both national and regional level, not just in rhetoric but in action. Thus if the SADC Member States are to make significant strides towards curbing high levels of unemployment, poverty and inequality which are prevalent in Southern Africa.

5.0. Neo-liberal policy approach in SADC sub-region

The Regional Indicative Strategic Development Plan (RISDP), 2003-2018 is a 15 year development agenda on social and economic policies for the SADC member states. Given the SADC's vision of a common future within a regional community and its mission to promote

sustainable and equitable economic growth and socio-economic development, the ultimate objective of RISDP is to deepen regional integration with the view of accelerating poverty eradication and the attainment of other economic and non-economic development goals (SADC, 2003).

It is important to note that the RISDP endorses the neo-liberal approach to development which assumes that growth and provision of a conducive macroeconomic environment will automatically trickle down to employment creation (SADC-CNGO, 2011). However, empirical evidence as far as Southern Africa is concerned, shows that growth and good macro-economic performance are not sufficient for employment creation.

In August 2013, the SADC Council of Ministers established a Task Force comprising Member States, SADC Secretariat and key stakeholders to revise the RISDP for the remaining 2014-2020 period based on key outcomes of the reports of the RISDP Independent Review (2013) and the Desk Review of the RISDP by the SADC Secretariat (2010). The SADC Council of Ministers also directed the Task Force on RISDP Review to consolidate all inputs and present the final revised RISDP Report to SADC Council of Ministers meeting in August 2014 prior to endorsement by the SADC Heads of States.

The final revised RISDP report was finally approved by the Extra-ordinary SADC Heads of State Summit held in April 2015 in Harare. It is premised on the four key priorities as follows:

- i) **Priority A – Trade, Economic Liberalization and Development** with the following sub-themes:
 - Productive competitiveness and supply side capacity;
 - Free movement of goods and services;
 - Stability oriented macroeconomic convergence;
 - Financial market integration and monetary cooperation;
 - Intra-regional investment and foreign direct investment;

- ii) **Priority B – Infrastructure in support of regional integration.**
- iii) **Priority C – Peace and security cooperation;**
- iv) **Priority D – Special programmes of regional dimension** with the following focus areas: Education and Human Resource Development, Employment and labour, Health, HIV and AIDS and other Communicable Diseases, Food Security and Trans-boundary Natural Resources, Environment, Statistics, Gender Equality, and Science, Technology and Innovation and Research and Development (SADC, 2014b).

As shown above, in the revised RISDP , employment is not featuring as a key priority area. Instead employment has been limited in scope and therefore relegated and infused within Priority D: special programmes of regional dimension. Unfortunately, this does not reflect the importance and urgency of employment creation in addressing high levels of poverty and inequality in SADC region.

One can therefore conclude that the way employment has been practically dealt with at regional level since 2003, is virtually anti-thetical to the three landmark commitments to which the SADC Member States are party namely: 2004 Ouagadougou AU Declaration on *Employment Promotion and Poverty Alleviation*, 2005 UN World Summit Resolution on *Employment* and more importantly the decision of 2011 by SADC Ministers of Labour and Social Partners urging all Member States to ratify and implement the four ILO priority conventions (including ILO convention 122 on Employment policy).

Besides, the wave of neo-liberalism has gripped the individual economies of Southern Africa (BFTU, 2006) to the extent that annual state budgets that SADC Member States produce and implement virtually centre on the assumption that the more money you put into development, the more employment opportunities are created.

“This year’s development budget of P12.93 billion which will mainly be spent on infrastructure projects such as construction of schools, new power transmission lines and pipelines, is expected to go a long way in creating new employment opportunities”-

2015/2016 Botswana National Budget Speech by the Finance Minister, paragraph 49, page 12.

These are kind of over sweeping statements inherent in almost all annual state budgets that are virtually not supported by any framework to practically ensure the attainment of such intentions around employment creation. Neither is any assessment conducted in terms of the actual linkage between state expenditure and creation of new jobs i.e. how many decent jobs are estimated to be created every year from each dollar injected into government expenditure?

In light of ILO Convention 122, 2004 Ouagadougou AU Declaration on *Employment Promotion and Poverty Alleviation*, and 2005 UN World Summit Resolution on *Employment*, the SADC region lacks regional and national frameworks for the labour market that put employment creation at the centre of development plan and hence make it mandatory that:

- Every government project should be subjected to an employment criterion in terms of how much (and of what type) employment it is expected to generate;
- Good estimates of employment targets should be provided and subjected to regular monitoring and evaluation.

In the final analysis, neo-liberal approach to development as far as labour is concerned has reinforced sense of insecurity among workers. “In particular, the new regime of flexibility, which for workers means work insecurity, is particularly devastating to a person’s sense of self worth, as they find themselves cast into scrapheap” (Webster; Lambert; & Bezuidenhout, 2008: 202).

Bieler, Lindberg & Pillay (2008: 8) further argue that the impact of neo-liberalism on the global working class is expressed through rising unemployment, the informalisation and degradation of work and rising income inequality.” As already discussed above, this is exactly what the SADC region has been experiencing for the past decade or so amidst impressive macro-economic performance.

As one way forward, Crotty (2005: 20 & 21) therefore argues that globalization as experienced today in Southern Africa and beyond which is driven by neo-liberalism, has to be rejected because it has led to slow growth, high unemployment, and rising inequality across the world.

6.0. Recommendations

1. Paradigm shift from the current market driven (neo-liberal) development path to human centered development approach;
2. Employment creation must become a priority of macro-economic and over all development policy framework at both national and regional levels-not just in sentiment but in action;
3. The regional and national blue prints in Southern Africa must therefore be aligned to the 2004 Ouagadougou AU Declaration on *Employment Promotion and Poverty Alleviation* and 2005 UN World Summit Resolution on *Employment* to which SADC Member States are party, by including an additional and separate priority area on *Employment creation and Poverty Alleviation*;
4. All SADC Member States should ratify and duly implement ILO convention 122: Employment policy as decided by the SADC Ministers of Labour and Social Partners Meeting in Windhoek, Namibia in 2011;
5. Development and implementation of regional and national labour market frameworks/benchmarks that specifically tackle the following: increase in demand for labour; increase in employability of the work force through training and other means; protection among the workers against unemployment e.g. unemployment insurance; interventions for vulnerable groups such as the disabled e.g. special programmes for the disabled such as vocational rehabilitation and work for the disabled; promotion of employment by private firms through wage subsidies e.g. subsidising part of firms' wage bill, or subsidising workers by paying their social insurance or income taxes;

6. Creation of strong social dialogue mechanisms (across all SADC Member States) with capacity to effectively influence economic and social policy other than being confined to labour issues.

7.0. Conclusion

While the SADC Member States continue to register un-precedented growth, a huge portion of the citizens are still trapped in unemployment, poverty and inequality. This paper contends that one major reason is that development blue prints produced and implemented by SADC Member States and the inter-governmental organisation (SADC) itself, are not appended to any regional and national frameworks that place employment creation and targeting at the centre of policy planning and implementation.

Hence this paper concludes that if SADC member states are to attain significant strides towards curbing the prevalence of unemployment, poverty and inequality, then there must be a radical paradigm departure from the neo-liberalism which relegates and limits employment to being a mere coincidental to growth. Any developmental efforts towards employment creation should first and fore-most be properly planned as a key priority and ultimately subjected to robust monitoring and evaluation mechanisms.

8.0. References

AU (Africa Union). September 2004. *Declaration on Employment Promotion and Poverty Alleviation*.

Bieler, A., Lindberg, I., & Pillay, D. 2008. “The Future of Global Working Class: An Introduction” in A. Bieler; I. Lindberg; & D. Pillay. *Labour and the Challenges of Globalisation: What Prospects for Transformation?* South Africa: University of Kwa-Zulu Natal, page 1-22.

BFTU (Botswana Federation of Trade Unions). 2006. *Position Paper on Privatisation*. Gaborone: BFTU.

Crotty, J. 2005. “The Neoliberal Paradox: The Impact of Destructive Product Market Competition and ‘Modern’ Financial Markets on Non Financial Corporation Performance in Neo-liberal Era” in G. Epstein (ed). *Financialisation and World Economy*. Northampton: Edward Elgar.

ILO (International Labour Organisation). 2014. *Global Employment Trends for 2014*. Geneva: ILO.

---- 2012. *Global Employment Trends for 2012*. Geneva: ILO.

---- 1964. *Convention No. 122: Employment Policy*.

Ministry of Finance (Botswana). February 2015. *Finance Minister’s National Budget Speech*.

SADC (Southern Africa Development Community). December, 2014a. *The Regional Indicative Strategic Development Plan (RISDP) Draft*.

---- August 2014b. *The Protocol on Employment & Labour*.

---- 2013. *Regional Decent Work Programme (2013-2019)*.

---- 2003. *The Regional Indicative Strategic Development Plan (RISDP)*.

---- 1992. *The SADC (Southern Africa Development Community) Treaty*.

SADC-CNGO (Southern Africa Development Community-Council of Non Governmental organisations). 2011. *Poverty Eradication in Southern Africa*.

SATUCC (Southern Africa Trade Union Coordination Council). 2013. *Annual Report for 2013*.

UN (United Nations). 25th October 2005. *World Summit Outcome*.

UNECA (United Nations Economic Commission for Africa). 2014. *Economic Report for Africa for 2014*.

---- 2012. *Economic Report for Africa for 2012*.

Webster, E., Lambert, R., & Bezuidenhout, A. 2008. *Grounding globalization: Labour in age of insecurity*. London: Blackwells.

WHO and UNICEF (World Health Organisation and United Nations Children's Fund). 2013. *Progress on Sanitation and Drinking Water-2013 Update*. Geneva: WHO and UNICEF.

World Bank. 2014. *Africa Pulse Report for 2014*.