

STATEMENT OF PARTNERSHIP AT THE CONCLUSION OF THE U.S.-AFRICA LEADERS SUMMIT

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THE U.S.-AFRICA LEADERS SUMMIT in Washington this week gave the world a chance to focus on Africa. That is how it should be. Africans, today, stand at a crossroad between opportunity and exclusion. Over the past half-century African nations have struggled against colonialism and repression. While decolonization was a palpable achievement, Africa and its peoples continue to face domestic challenges and forms of neo-colonialism that perpetuate the exploitation of Africa. The last decade has also seen major achievements across Africa. More and more African countries are being governed democratically. Ten of the 20 fastest-growing economies in the world today are in Africa. The world is increasingly optimistic about Africa's future and now acknowledges the power and potential of Africa to change the global landscape. Workers and unions are at the forefront of that change and are fighting to ensure that working people share in a new age of prosperity in Africa.

Throughout the U.S.-Africa Leaders Summit, numerous representatives highlighted an "Africa Rising" narrative, focusing mainly on increasing GDP numbers and growing consumer markets. While economic growth is laudable, the narrative does not address the role of unions and workers in pressing for economic and political justice, and it completely ignores the growing inequality and the ongoing deficit of decent work opportunities for African workers. Workers and unions are concerned that this new focus on Africa will not bring new dialogue about inclusive economic

development, but a return to structural adjustment programs of previous decades, privatization of public services and increasing labor market flexibilization. The labor movement in many countries—which is often the largest force in civil society—has been weakened by these neo-liberal policies, while restricted collective bargaining has led to much of the unequal growth we are seeing today.

In Nigeria, between 1986 and 2010, there has been a 75% increase in the concentration of income, and in Ghana a 50% increase over an 18-year period. South Africa has one of the highest inequalities in the world and continues to grow.

Source: Africa Rising? Inequalities and the essential role of fair taxation, Christian Aid, p. 6, February 2014

Income and wealth inequalities must be addressed throughout Africa. One of every two Africans continues to live in extreme poverty, subsisting on less than US\$1.25 a day. In oil-rich countries like Angola and Equatorial Guinea, 67% of Angolans live on less than \$2 a day and more than 60% of Equatorial Guineans live in poverty—in a country of less than 800,000 inhabitants that earns more than US\$8 billion annually from oil export. Youth unemployment in Nigeria, one of Africa's fastest-growing economies, is more than 54%.¹ In Ghana, despite impressive economic growth that

enabled the country to decrease aggregate poverty by half ahead of the post-2015 Millennium Development Goal deadline, nearly half of food crop farmers are still classified as poor.

In Africa, increasing inequality is being reinforced by unequal access to education and health, water and sanitation. The disease burden on the continent is still high and rising. Age-old tropical diseases such as malaria continue to wreck the lives of many Africans. The HIV/AIDS pandemic continues to devastate African communities, cutting short productive lives and orphaning children. Now, the continent is battling with Ebola, a fearsome, deadly disease with a mortality rate of up to 90%. Ebola is spreading through some countries in West Africa.

One paradox of African economic growth is that it has been accompanied by an erosion of formal employment and the growth of the informal economy. Despite increased economic growth, a majority of African workers continues to eke out a living in the sprawling informal economy or in precarious work situations. According to the ILO, nearly eight out of every 10 African workers are employed in “vulnerable employment.”² Workers in the informal economy or in precarious employment, despite working long hours, often earn notoriously low incomes and have no access to social protection such as unemployment insurance, pensions or health care.

Given the growth of precarious work, these workers have been identified collectively as the “precarariat”—the millions of Africans living and working dangerously in unregulated industries near or below the poverty line, with few social protections and little access to education, training or financial resources. Migrant workers and women make up much of the precariat. The growth of precarious employment has reduced standards through the labor market and also negatively impacted Africans in formal employment, escalating inequality and manifesting in low pay, unhealthy working environments, and the growth of part-time, contracted, outsourced and temporary low-wage work.

Despite the euphoric embrace of democratic governance in the 1990s, national institutions remain weak, the rule of law is on retreat, and impunity for

human and labor rights abuses abounds. Confidence in governments and other state institutions is at an all-time low. The abuse of state power and resources is fueling inequalities and weakening the bonds of trust and solidarity that have held African societies together for millennia. Governments must be democratic, accountable and transparent so that they can respond to the needs of workers and their families.

For most countries on the continent, democracy has been equated to holding quadrennial elections. In between elections, state power and resources continue to be usurped for the benefits of the few in power, leading to a breakdown of the social contract. Some of the African Heads of State that are deemed to be governing democratically are engaged in corruption and human and worker rights violations. Building the capacity of civil society organizations like trade unions that serve as a strong counterforce to the autocratic tendencies of leaders and rising economic inequality is an important step toward a broader policy to promote democracy and improved governance.

Additionally, contributing to this breakdown in democracy, economic growth in Africa has been driven almost exclusively by the extraction of natural resources. The extractive industry generates billions of dollars for Africa, but in many cases it also leads to increased corruption and environmental degradation. Many of the revenues earned from natural resource extraction remain untaxed and are sent offshore, depriving governments of much-needed resources. Illicit financial flows through harmful tax policies such as tax havens, mispricing and failure to report royalties rob countries of vast resources that could be invested in development priorities. Such corruption depletes resources and often supports conflicts in the region.

Against giant multinationals, the capacity of states to regulate and negotiate is weak. Natural resource concessions and payment agreements are increasingly lopsided, reflecting the interests of foreign investors. The weak capacity of states also means that the little tax revenue that comes into national coffers is diverted to benefit a small percentage of the population. Workers welcome trade and investment, but for it to succeed in areas like the extractive industry, it must be part of an inclusive and rights-based development strategy.

During this week's summit, workers and their unions from Africa and the United States held a parallel gathering in Washington to address the challenges facing workers and to insert a worker perspective into the policy debates. Together, we took stock of our achievements, developed a shared analysis of the ongoing challenges, and solidified plans to join forces in a call for a new economic paradigm for workers in the United States and throughout Africa. As workers, we recognize the successes that have been achieved in the course of the last half-century. We also emphasize the potential that exists on both sides of the Atlantic to overcome the challenges facing workers and to enable the United States and Africa to make lasting contributions to shared prosperity and peace.

Our shared vision for a new economic model focuses on inclusive growth, characterized by workers participating in and benefiting from economic growth and job creation. Macro-level economic growth is necessary, but alone is insufficient for addressing the challenges that confront workers everywhere. Economic growth needs to be assisted by other policies and programs that take care of the needs of all workers and their families. Strong social protections must be an integral part of economic growth and job creation.

Below, we elaborate on our specific priorities.

Decent Work Core to Inclusive Economic Growth

“One of our most serious economic problems in Zambia is that relatively few of our citizens work in the formal economy. We have about 500,000 workers in the formal economy, but almost 4 million in the informal economy. We also have to develop more jobs processing the minerals we mine. We have only a small industry to produce copper wire; most of our copper is exported in an unprocessed form.”

—Zambian worker

Inclusive economic development is not possible without decent work at its foundation. In addition to decent work, human rights, participatory democracy, gender equality, social protection and social inclusion, both intergenerational and environmental, and shared prosperity are also foundational. Our vision integrates the economic, social, environmental and political dimensions of life in the United States and in Africa and is a call for rising expectations on both sides of the Atlantic. Labor unions in our countries demand more of our leaders in government and in the business community.

Our starting point is decent work, which means the creation of jobs that produce sustainable livelihoods, respect worker rights, provide social protections and feature social dialogue. It is clear that decent work has yet to become a central part of the Africa Rising story, but it can and should be. Africa's growing economies are not producing enough decent employment, an enduring legacy of structural adjustments and all successor policies. Decent employment stands in contrast to the rising precarious work noted above. Countries cannot sustainably eliminate poverty and all forms of human suffering when workers are mired in jobs that do not sustain communities and their economies are mired in a jobless growth process.

Decent work in Africa will not be attainable without a fundamental shift in the dominant economic paradigm. The current investment and trade priorities in Africa have focused almost exclusively on the natural resource sector, which is largely intensive in the use of capital, while the manufacturing sector has all but collapsed on the continent. Privatization and unbridled and premature liberalization have destroyed major sources of formal employment. Fiscal austerity has disenabled states from investing in the institutions that are necessary for formal job creation and building infrastructure. Liberalization of external payment regimes in the context of weak institutions have led to a situation where capital leaves Africa much more than it enters Africa.

Worker Rights

“The government will put things in writing, on the radio and on television, but the employers still don’t comply. The employers don’t care. They feel that their workplace is their property and the government can’t tell them what to do on their property.”

—South African worker

Fundamental to decent work is the respect for and implementation of worker rights as enshrined in the ILO core labor standards. Worker rights, especially the right to freedom of association and to bargain collectively, are important to addressing inequality. Worker rights are also a foundational component of trade and investment policies that seek to promote inclusive economic growth and development. Effective social dialogue plays a critical role in advancing decent work opportunities for workers because it promotes better wages, working conditions and good governance. These core standards are based upon the internationally accepted norms and beliefs that peace and security are based upon social justice, including humane work conditions, social protections and worker rights.

Social Protection Systems

The ILO estimates that “only about 10 per cent of the economically active population (in sub-Saharan Africa) is covered by statutory social security schemes.”³ Given the high levels of informal and precarious employment, unemployment and inequality in Africa, the development of strong social protection programs must be a major consideration of the trade and development discussion. Social protection programs assure an adequate income to those outside the labor market, families with children and the elderly as well as other vulnerable groups.

Investing in Young Workers

Investing in the future of Africa should begin with investment in today’s generation of young people. According to the UN’s African Economic Outlook report, Africa has the youngest population in the world. This population can be a source of growth and

development or a source of instability. The UN also estimates that young workers currently account for 60% of the unemployed in Africa. Many young people enter the labor market too early in their lives, missing important education and skill-building opportunities. This trend must be reversed by, first, investing in the education of the new cohort of young people joining the labor market, and, second, giving those already in the labor market second chance opportunities through apprenticeship programs. Governments should integrate social partners into the design and implementation of these programs.

Achieving Gender Equality in the World of Work

“International support has been critical in stressing the importance of gender equality and in supplying funds for work on gender equality. Equally important, if not more so, has been the role of women workers themselves in pressing for change....”

—African Unions and Africa’s Future: Strategic Choices in a Changing World

African women face huge and deeply entrenched inequality in the world of work, to the detriment of the entire continent. This inequality persists even in the face of gains in other relevant areas, such as women’s health and education attainment. On virtually every global measure, women are more economically excluded than men.⁴ In terms of finding work, young women are at a disadvantage in Africa’s labor markets. For example, in a subset of countries composed of Benin, Liberia, Madagascar, Malawi, Tanzania, Togo, Uganda and Zambia, the unemployment rate of young women exceeds that of young men in all the countries but Benin. The average female youth unemployment rate is 25.3%, compared with the male rate of 20.2%.⁵ This gap is even higher in North Africa, where the 2012 unemployment rate for young men was 18.3%, compared with 37% for young women.⁶

Emerging research is beginning to uncover what labor unions have always known to be true—people’s ability to advocate for their own, as well as collective, social, political and economic rights and

interests, is a fundamental positive force for equality. For women workers, since the 1970s, unions have become a primary global vehicle for advancing gender equality.⁷ With more than 70 million women in unions today, unions have expanded their women's rights and gender equality agendas in the workplace and society, and broadened their scope to support informal economy workers—the majority of whom are women—in a number of ways. Unions are on the front lines in the fights to roll back the abuses of neo-liberal economic policies that so disadvantage women, and to install pro-worker and pro-poor micro- and macroeconomic policies. Gender-inclusive labor unions and other labor rights organizations in Africa are, therefore, central to local, national and global efforts to achieve gender-inclusive and rights-based growth.

Pro-Employment Trade, Investment and Industrialization

For Africa to fully benefit from trade and investment, employment-centered growth strategies are required. Economic policies must be calibrated in a way that uses labor in a dignified manner that recognizes the dignity and primary role of work in the growth-generating process. This would mean, among other things, encouraging job growth through domestic processing of raw materials before export, affording Africans the use of tools that helped other countries to build competitive manufacturing at home and strengthening state capacity to uphold labor rights while supporting entrepreneurship.

Trade and investment strategies should promote industrialization and structural transformation of African economies in ways that advance decent work with fundamental workers' rights, social protection floors and gender equality for all workers, including women and migrants. Subregional economic integration should also be encouraged to develop economies of scale and facilitate distribution throughout the region. Only through full employment and decent work can Africa reduce poverty and inequality.

Improving AGOA

The African Growth and Opportunity Act (AGOA), enacted in 2000 to “promote stable and sustainable economic growth and development in sub-Saharan Africa” is the cornerstone of U.S. trade policy to Africa. In the 15 years that it has been in effect, it has failed to meet its overall objectives. AGOA has increased exports to the United States, but cannot be tied to significant job growth. While AGOA is said to have created anywhere from 300,000 to 1.3 million jobs in sub-Saharan Africa, directly and indirectly, these numbers are far below original expectations. As important, job growth has not necessarily meant an increase in decent work. Before reauthorization, an assessment of AGOA's impact on workers in key industries is needed.

As the United States works to update and reauthorize its cornerstone trade policy with Africa, there are several ways to improve and update the act:

- Update eligibility criteria to clearly specify core labor standards, particularly freedom of association and the anti-discrimination conventions;
- Improve certification and reauthorization to build in greater dialogue with countries and to target specific sectors with loss of benefits as opposed to the drastic measure of removing benefits from all export sectors in a country;
- Enhance eligibility oversight with complaint mechanisms that allow workers to raise red flags about worker rights abuses;
- Expand capacity building and technical assistance to expand access to education and training for workers and to help unions play a stronger role in workplace democracy and rights monitoring; and
- Enhance the stability of trade preferences that are granted by AGOA by authorizing the law for a minimum period of five years to promote long-term job creation and retention.⁸

CONCLUSION

We are pleased that in the end, the White House and African leaders developed a civil society track in which some of the peoples' concerns could be aired, including critical issues of concern like decent work and inclusive development. Any discussion about democracy in the United States or in Africa is incomplete without full participation of organized labor. Labor movements are major forces for democracy. Unions helped overcome political apartheid in South Africa and, in the United States, helped build the American middle class—but these gains are at risk as rising inequality and declining labor standards produce less stable, fulfilling jobs in all our countries.

As the U.S. and African leaders leave the summit and pledge new commitments to sustainable development and economic growth, leaders on both sides of the Atlantic should ask themselves: How will these policies create jobs, promote decent work, enhance social protection, protect public health, raise wages, improve living standards, ensure good environmental stewardship and enshrine sustainable, inclusive growth?

As the leaders of our governments end their summit, we pledge as labor movements in Africa and in the United States to:

1. Stand together to hold our leaders accountable to their commitments to an inclusive economic agenda that creates decent work and that addresses inequality and the need of workers and their families;
2. Continue to contribute to the creation of new trade and investment models that invest in workers' capacity, infrastructure and services, and which respect labor rights and reinforce labor standards;
3. Advocate for government support on goal #8 of the post-2015 development agenda to include effective targets for full employment and decent work;
4. Mobilize workers to demand transparency and accountability in governance;
5. Promote the need for social dialogue between unions, governments and the private sector in economic policy making and implementation;
6. Work together across continents to help forge a vision of shared prosperity where all those who work share in the wealth we create, where our rights are honored in the places where we work, and where our nations and our world prosper because we prosper together;
7. Support progressive taxation systems and a financial transaction tax to rebalance economies and make resources available for investment in inclusive, participatory development;
8. Hold corporations accountable for human and worker rights and advocate for government to implement national action plans on business and human rights;
9. Support the ongoing struggle to build a just world, through continued defense of freedom of association, including the right to strike and collective bargaining for all workers; campaigns and organizational support for labor rights defenders; advocacy for decent work; and
10. Work to build partnerships and networks with our allies in civil society to protect human rights, fight discrimination at work, defend the rights of all workers, and demand gender equality in the workplace and in society.

Endnotes

1 Nigeria National Bureau of Statistics National Baseline Youth Survey *Report*, 2012.

2 ILO, *World of Work Report*, 2012.

3 ILO Social Protection Page, www.ilo.org/addisababa/areas-of-work/social-protection/lang--en/index.htm.

4 World Bank, 2013, "Gender at Work: A Companion to the World Development Report on Jobs," Washington, D.C., World Bank.

5 Elder, Sara and Koko Siaka Kone, 2014, "Labour Market Transition of Young Women and Men in Sub-Saharan Africa," *Work4Youth Publication Series*, No. 9. ILO, Geneva.

6 ILO 2013.

7 Cobble, Dorothy Sue (2012), "Gender Equality and Labor Movements: Toward a Global Perspective," New Brunswick, NJ: Rutgers University and the Solidarity Center.

8 See AFL-CIO and Solidarity Center, "Building a Strategy for Workers' Rights and Inclusive Growth—A New Vision for the African Growth and Opportunity Act," 2014, available at www.aflcio.org/content/download/133021/3562761/AGOA+no+bug.pdf.