

SDG DECADE OF ACTION
TRADE UNION POLICY RESPONSES

**EXECUTIVE
SUMMARY**

SDGs FOR RECOVERY AND RESILIENCE IN AFRICA

**CASE STUDIES: GHANA, ZAMBIA
AND NIGERIA**

TIME FOR 

**THE CLOCK IS TICKING
FOR A NEW SOCIAL CONTRACT**



SDGS FOR CRISIS RECOVERY AND RESILIENCE CASE STUDIES: GHANA, NIGERIA AND ZAMBIA

The African continent is reeling from the economic fallout of the COVID-19 crisis, with the impact of the pandemic having affected everything from jobs and wages to supply chains and foreign direct investment. The Economic Commission for Africa (ECA) estimated that the pandemic would limit economic growth in Africa to between 1.8 percent and a contraction of 2.6 percent in 2020, while the World Trade Organization (WTO) estimates a fall in Africa's exports and imports of 8 percent and 16 percent, respectively. In practical terms, this translates to the equivalent of 60 million full-time jobs lost at the end of the first half of 2020 (ILO), and a minimum of 13 million more people living in poverty in sub-Saharan Africa because of the crisis (World Bank). Africa was already behind in meeting the 2030 Agenda before COVID-19. The goals relating to employment and poverty-reduction have been seriously jeopardised by the pandemic.

By exploring the COVID-19 crisis responses of Ghana, Nigeria and Zambia, this report offers insights into the ways in which African countries have been hit by the pandemic and its consequences, and to what degree governments are using the Sustainable Development Goals (SDGs), particularly SDG 8, to build resilience into their recovery plans. Due to its multidimensional nature, encompassing decent work and inclusive and sustainable growth, SDG 8 has a key role to play in transforming our current world into one that centres social, economic and environmental justice. This research demonstrates that when trade unions are engaged in social dialogue, such transformation is possible.

GHANA

The Ghanaian government's response to the coronavirus is a good example of what can be achieved with social dialogue. **The government engaged with social partners within the National Tripartite Committee in the Ministry of Employment and Labour Relations, and the Social Partnership Council under the Ministry of Finance.** As a result, Ghana has implemented several measures to address the impact of COVID-19 on people, workers, businesses, and the overall economy. For example, healthcare workers were given a three-month tax exemption, while receiving an additional allowance of 50 percent of their pay for four months and free transportation. In preparation for future crises, the government has proposed the establishment of a contributory (and compulsory) unemployment insurance scheme for all employees. And for businesses, soft loans for micro, small and medium-sized enterprises (MSMEs) and GHS100 billion (US\$20 billion) in business support have been made available. Trade unions have been pivotal in the success of social dialogue during the crisis, with the Ghana Trades Union Congress (TUC) consistently pushing the government to go further. This is evidenced by the fact that Ghanaian president Nana Akufo-Addo consulted the leadership of the TUC before announcing a partial lockdown, for example, and by union calls for a bigger stimulus package leading to the implementation of a GHS100 million (US\$20m) training and retraining scheme for workers.

NIGERIA

During the pandemic, the Nigeria Labor Congress (NLC) and the Trade Union Congress of Nigeria have had limited dialogue with both the federal government and employers. As a result, job losses, pay cuts and wage theft have been widespread, and no specific measures have been introduced to support workers at the national level. However, the unions have made an impact in various ways. Trade unions signed a memorandum of understanding (MoU) with the Nigeria Employers Consultative Forum to protect jobs in the private sector, and the NLC established a nationwide labour-civil society 'situation room' to allow trade union members and informal workers to engage with state and federal governments on the impact of COVID-19. The NLC was also active in the Nigeria Economic Sustainability Plan (NESP) in which it stressed the need to protect jobs and stimulate the economy. This is reflected in the 2.3 trillion naira (US\$5.9 billion) stimulus and recovery package focusing on investment in job-intensive projects including in agriculture, road building and housing. In terms of green jobs, significant progress is being made. The government is spending the equivalent of US\$1.64 billion to boost agricultural production and create five million jobs in the sector. It has also designated US\$647.25 million to create 250,000 jobs in the energy sector, leveraging solar power for five million households by 2023. Meanwhile, an additional US\$60.58 million is earmarked to convert some 30 million houses from the use of 'dirty fuel' to LPG, leading to a further one million new jobs.

ZAMBIA

Union involvement in formulating and implementing policy in relation to COVID-19 has been limited. In November 2020, Zambia missed a US\$42.5 million interest payment on US\$1 billion of Eurobonds, signalling Africa's first coronavirus-era debt default. Unsurprisingly, the Zambian government has introduced very few social protection measures to support the most vulnerable households through the COVID-19 crisis and there have been practically no direct government measures to support workers. Nevertheless, the Tripartite Consultative Labour Council (TCLC) has urged employers to adhere to the labour laws during the pandemic. The Zambia Congress of Trade Unions (ZCTU) commended the government for releasing funds to the Public Services Pensions Fund to pay retirees and third-party arrears, and it further lauded the Central Bank's refinancing facility, which targets SMEs and aims to promote local production and consumption. However, the United Nations Development Programme is calling for more support to reach those that need it most, particularly in the informal economy. And despite the country's heavy dependence on extractive industries, the Zambian government has so far failed to make any concrete investments in the green economy in response to the crisis, which the report describes as "a missed opportunity".

CONCLUSIONS

The report calls on African countries to reaffirm their commitment to, and accelerate the implementation of, the SDGs, particularly Goal 8, as the best route towards recovery and building resilience through a **New Social Contract** that puts people and the environment at the centre. As per the targets of SDG 8, unions are calling for stimulus support to be linked to the creation of decent jobs, the protection of workers' rights, the creation of universal social protection systems and the principles of Just Transition as negotiated with the social partners. They also recommend the establishment of a labour protection floor that guarantees fundamental workers' rights, an adequate minimum wage, maximum limits on working time, and health and safety at work. This floor should be made part of the conditions for accessing stimulus support. Governments are also urged to move away from investments that damage the environment and climate. To sustain Africa's economies, investments in labour-intensive sectors (agriculture and manufacturing, for example, including SMEs) should be supported with the aim of generating decent jobs. Across the continent, many unions have been part of national level consultations on responses to the pandemic, but more social dialogue should be at the heart of building resilience in the recovery phase.

African countries need the support of the international community to finance their recovery and build resilience going forward. Implementing a stimulus that supports business and workers, grows the economy, and creates (green) jobs and builds social protection floors is challenging for poor countries, already facing sizeable fiscal gaps. Without significant international support, many of the things they need to do cannot be done. In this regard, a coordinated response by governments and development actors through a Global Fund for Social Protection would support countries most in need to sustain and expand protection in times of crises and to build resilience. Donor funding and multilateral cooperation will need to support sustainable ways out of the crisis for most countries in Africa to put in place recovery and resilience strategies in line with the principles and goals of the 2030 Agenda, particularly with SDG 8.

NEW SOCIAL CONTRACT: Five workers' demands for recovery and resilience

- 1. Creation of climate-friendly jobs with Just Transition.** Job-creating industrial transformation to achieve net-zero carbon emissions, along with jobs in health, education and other quality public services.
- 2. Rights for all workers,** regardless of their employment arrangements, to fulfill the promise of the ILO Centenary Declaration with its labour protection floor including rights, maximum working hours, living minimum wages and health and safety at work.
- 3. Universal social protection,** with the establishment of a Social Protection Fund for the least wealthy countries.
- 4. Equality. Ending all discrimination,** such as by race or gender, to ensure that all people can share in prosperity and that the appalling concentration of wealth in the hands of a few at the expense of the many is undone.
- 5. Inclusion. To combat the growing power of monopolies and oligarchs,** ensure that developing countries can actually develop their economies and guarantee tax systems that provide the income vital for governments to meet the needs of people and the planet. An inclusive approach to tackling the COVID-19 pandemic is paramount, both in terms of economic support as well as universal access to testing, treatment and vaccines.

The full report can be found at:

<https://www.ituc-csi.org/sdgs-for-recovery-and-resilience-in-africa>



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