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Africa's Ailing Presidents, how far can they go?

Taming the Monster of Unemployment in Africa



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STEVE PARSONS

“Include people in Economic Development Opportunities to Wipe out Unemployment”

The growing unemployment rate in the Sub-Saharan Africa requires a drastic and an urgent measure by the governments on the continent to mitigate its impact on the economy. Steve Adams Parsons of Share The World Resources, United Kingdom, in this e-mail interview with **Uwana Archibong**, says African governments need to embrace a new paradigm of development that is specifically designed to achieve society's objectives in terms of adequate employment, poverty eradication, healthcare, education and environmental sustainability.

What would you say is the cause of unemployment in Africa?

While the causes of unemployment in Africa are complex and may vary for different countries, a major factor has been the economic policies and free market restructuring of recent decades. Much has been said and written about the now discredited Structural Adjustment Programmes (SAPs) that were imposed on many African countries by the World Bank and the International Monetary Fund, but the legacy of these policies still leaves a deep scar across the developing world. In the 1980s and 1990s, SAPs may have opened up Africa's markets to foreign competition, but it also led to the closure of countless small and medium-sized enterprises at the local level.

At the same time, the privatization of previously state-run industries led to massive lay-offs without social security. ***In the name of creating an enticing climate for foreign investment, these economic policies of market deregulation, trade liberalization and privatization led to a growing swathe of unemployed workers and a concentration of wealth in the hands of a privileged social minority a trend that is continuing and accelerating in the aftermath of the global financial crisis since 2008.***

The free market restructuring of national economies over recent decades has had a particularly dramatic effect on the agricultural sector in many African countries. In converting diverse local economies into export trade systems, millions of people working in subsistence agriculture have lost access to local markets or the means of production. Countless of these small-scale producers are forced to migrate to urban centres if they cannot compete with heavily industrialized producers, resulting in a surplus of labour in many African cities. On top of this migration, Africa's undeveloped manufacturing sector means that there are insufficient jobs outside of the traditional agriculture sector, resulting in increased unemployment.

There may be many proximate and short-term causes of unemployment in African cities, but the current model of development is the underlying long-term structural reason for increasing unemployment in rich and poor countries alike. ***In remoulding national economies to prioritize international trade and foreign direct investment, the benefits have accrued to large transnational corporations and an elite minority at the expense of real jobs and stable employment in domestic economies.***

What is the direct correlation it has to the growth or non-growth of the economy?

As recent history has shown, the growth of the economy and positive social outcomes are two different things. A national economy can be performing well, while even the most basic social welfare is lacking for the majority of citizens. In Kenya, for example, the economy grew at an impressive 7 percent in 2007/2008, and yet 46 percent of the population was still living below the food poverty line.

From this point of view, to ask how unemployment affects domestic economic growth is to assume that a growing economy is the most important indicator of development and progress. As an organization, we question this assumption and advocate for governments to explicitly prioritize social objectives over policies solely aimed at increasing economic growth and capital accumulation, as evidence suggests that this growth often does not 'trickle down' to the poorest members of society. The value of economic growth is dubitable when short-term corporate profitability is valued more highly than the welfare and basic rights of the majority population. ***Most national governments in Africa, following the prescribed free market approach, have repeatedly chosen to stimulate economic growth rather than to redistribute wealth as a solution to poverty, inequality and unemployment.*** This is not to say that economic growth is not necessary for African countries, but the benefits of this growth should be distributed fairly to those most in need.

How will you assess the performance of your organization so far vis-à-vis the fight against unemployment?

The current economic paradigm has excluded millions of people from its promises of wealth and prosperity, with an estimated two-fifths of the economically active population of the developing world working in the informal sector of employment. According to the dire projections of the United Nations' Challenge of Slums report in 2003, informal employment will somehow have to absorb 90 percent of urban Africa's new workers over the next decade. As I discovered myself when researching the book 'Megaslumming' about sub-Saharan Africa's largest slum Kibera, the informal sector is hardly a source of hope for the unemployed or those who migrate from rural areas in search of work. For the millions of people in Africa who improvise new livelihoods in such occupations as street vending, factory work, car washing or even recycling garbage, competition for work and survival can be intense and merciless without any form of government protection or support. In Nairobi, Kenya, the government often conducts sweeps against the curbside stalls known as kiosks in which police officers demolish the possessions of these 'illegal' workers, most of whom will have no chance of employment in the formal economy.

If governments continue to follow the same economic policies in favour of transnational corporate interests and capital accumulation, the informal sector will inevitably swell even further as more and more people in developing countries are deprived of a means of livelihood. ***The fight against unemployment therefore requires an acceptance that a new approach to development is needed, one that guarantees the fulfillment of basic human rights as the number one priority of governments worldwide.***

For a non-governmental organization that campaigns for an end to poverty like ours, the only measure of success in the fight against unemployment can be the inclusion of all people in the opportunities of economic development. ***Beyond securing an adequate livelihood, all people must also be ensured the right to security in the event of unemployment, as defined in Article 25 of the Universal Declaration of Human Rights. There is currently no country in Africa where this right fully pertains, and it is the collective responsibility of the world community to guarantee a minimum income and adequate healthcare to the unemployed for the world's poor nations and poor groups.***

What are some of the challenges affecting your organization in this regard?

Our organization recommends that governments rethink their priorities, and instead focus on sustainable policies that can end global poverty and extreme inequality. To achieve this, fundamental reform of the global economic architecture is needed to ensure a more equitable distribution of essential resources, both within and between nations. As the past year has shown, however, the major powers are unwilling to significantly restructure the world economic system and explore sustainable and alternate models of development. Despite the Washington Consensus being declared 'dead' by many world leaders following the global financial meltdown of 2008, the major powers still proceed on the basis that there is no alternative to economic globalization in its current form. After several gatherings of world leaders in 2009 to discuss international economic reform, the decade ended with much the same system as it began. Many of the same economic assumptions persist, in particular that the growing gap between the super-rich and the neglected poor doesn't matter so long as economic growth and affluence is continuing to increase at the top of the tree. Even a relatively minor progressive measure such as a global tax on foreign exchange transactions has yet to be put into operation.



The reason for the unwillingness among governments to abandon free market policies could be straight forward; an effective and just distribution of essential resources goes against the immediate financial interests of the wealthiest sectors of society, those who are more likely to influence policy decisions. It is ultimately the responsibility of the global public, not just campaign groups or policymakers, to collectively demand that governments reorder their priorities and implement a fairer and more rational economic model that can increase public expenditure and guarantee a minimal standard of living for all.

What are some solutions to unemployment?

One of the main focuses of African governments should be on effective agricultural policies to prevent the ongoing migration from rural areas to urban centres, which is a major factor in

the growth of many African cities and, in turn, the rapid growth of urban slums and the informal sector of employment. The agrarian welfare state has been progressively dismantled for small farmers, while the industrial export model of agriculture has led to the large-scale displacement of smallholder farming. Governments should rethink this model of trade in food commodities by reorienting policies away from exports and single crop production, whilst at the same time investing in small-scale sustainable agriculture with policies specifically designed to assist small farmers. This would also require redistributive land reform to prevent the market concentration of large-scale agribusinesses in African countries. Such policies would go a long way to preventing the rural flight and protecting the livelihoods of the world's smallholder farmers, which still includes almost two

billion people who are struggling to live and feed their families on less than US\$2 a day.

In urban centres, a stronger government role is needed to provide basic infrastructure and services to informal settlements, and policies should be specifically designed and constructed to support the livelihoods of the urban poor especially those who work in the informal sector of employment without any protection or government support. Such policies are well-known and often enumerated, and could include; micro-credit and income-generating schemes, labour-intensive public service programmes to develop infrastructure designed to meet the needs and priorities of poor households, as well as social safety nets and cash transfer programmes.

An alternative development model

is needed in Africa that allocates resources according to social needs, not short-term profit or private interests. At present, the mechanisms required to distribute resources more equitably on the national or regional level are at best weak in African countries. **Governments need to embrace a new paradigm of development that is specifically designed to achieve society's objectives in terms of adequate employment, poverty eradication, healthcare, education and environmental sustainability.** This new approach ultimately depends upon redressing the great division in living standards between the North and South, and a fairer system of distribution on the global level. As an organization, Share The World's Resources advocates that a new development model should be based on the idea of sustainable sufficiency through sharing essential resources internationally.

