

**Speech by the Executive Director
ILO Employment Sector,
Mr. José Manuel Salazar-Xirinachs
at the opening ceremony of the 14th Regional Seminar for
Labour-Based Practitioners,
Accraa Ghana, 5th September 2011**

His Excellency, John Evans Atta-Mails, President of the Republic of Ghana
Honorable Ministers,
Dear participants,

I would like, first of all, to thank and congratulate the Government of Ghana for hosting this important event. The work on labour-intensive investments in infrastructure requires leadership and coordination, and I want to recognize the leadership and close coordination between the Ministry of Roads and Highways, the Ministry of Employment and Social Welfare and the Ministry of Local Government and Rural Development not only for this event but for implementing labour-intensive investments in infrastructure in Ghana.

The ILO is very pleased to once again be a partner of this 14th Regional Seminar for Labour Based Practitioners. What started as a small seminar organized by the ILO to review current practice at the time in Mbeya, Tanzania, in 1990; followed by another one in Lesotho in 1992, initially attended by two dozen experts and practitioners from a handful of countries, has now grown into these events with nearly 500 participants from 30 African countries, and now increasingly including representatives from Asia and Latin America as well.

And most important, this is now not anymore an ILO activity, these events are fully organized and led by governments that have come to see the value of bringing together decision makers, practitioners and development partners to discuss issues that are very relevant to improving the livelihood of the African people.

In this regard I want to express our congratulations and recognition to Minister John Byabagambi of Uganda for his leadership and wish Minister Joe Gidisu and the Government of Ghana much success and achievements during the next two year cycle.

What better sign of the government's ownership and leadership than the fact that since the Durban meeting in 2007, a parallel ministerial meeting has been organized during these seminars. I am told we have in this occasion at least 18 ministers present. On behalf of Juan Somavia, Director General of the ILO, I salute you all and congratulate you for your leadership and commitment to this important policy approach.

This policy approach linking Employment and Infrastructure is now recognized as central to efforts to uplift lives and create wealth, as well as a major countercyclical job creation policy. This approach is more critical and essential today when the livelihoods of many have deteriorated as a result of the global financial and food crisis. Rather than being history, the economic crisis is today still very much with us, with a renewed threat of a double dip recession. Rather than being a year of strong recovery, as many predicted back in 2010, 2011 is shaping up as another year of stalled growth particularly in the United States and Europe, with continuing negative consequences for the economies of Africa and other developing countries.

As a result of the financial and economic crisis, African countries lost significant amounts of investment opportunities. The impact of the crisis was felt through multiple channels: balance of payments and reserves, trade balances, remittances, foreign direct investment and official development assistance. And all of these exacerbated the dire situation of labour markets characterized by high unemployment and underemployment, insufficient creation of formal sector jobs, large informal economies with low productivity and low incomes, and widespread poverty.

As a response to the crisis, on 19 June 2009, the International Labour Conference, with active participation of Government, Employers' and Workers' delegates from the ILO's member States, unanimously adopted a global recovery

strategy entitled *Recovering from the crisis: A Global Jobs Pact*. Since then we have been working very closely with many governments and social partners in Africa on the implementation of different aspects of the policy portfolio contained in the Global Jobs Pact.¹ Only last week I was in Nigeria in one such mission.

And next Month, in Johannesburg, the ILO Tripartite constituents in Africa will have their Regional Meeting, organized every four years. How to promote inclusive, job-rich growth in Africa will be a central theme. Because what we observe is that, despite the high rate of growth in many African countries in recent years, the truth is that one must restrain the “growth optimism” based on the sobering reality that this high growth in most cases has not had enough traction in labour markets. Therefore, how to promote a new more inclusive and employment intensive growth strategy remains the major challenge.

And there is no doubt that labour intensive investments in infrastructure is one of the major tools in the policy-makers toolkit, with triple win possibilities because not only do they create much needed infrastructure that boosts productivity, but they also create more jobs that boosts incomes and aggregate demand, while being a developmental policy and having also beneficial countercyclical effects. This is why increasingly regular investments are complemented by public works programmes and employment guarantee schemes, a field in which there have been major innovations in recent years.

Globally, unemployment and underemployment, particularly among young people, are widely recognized as one of the causes of poverty and national and regional instability. It is for these reasons that the global community decided to tackle unemployment through the Millennium Development Goals (MDG), by adding MDG 1B, which is to “Achieve full and productive employment and decent work for all, including women and young people”. Member countries now have to report their achievements on target 1B as well, quite a positive step.

His Excellency, Honorable Ministers, dear participants,

¹ Recovering from Crisis: The Global Jobs Pact: adopted by the ILO at its 98th Session, Geneva, 19th June 2009

This Seminar is focused on discussing how investments in infrastructure can be shaped to tackle the key development challenges not only of competitiveness, growth and productivity, but also of unemployment and underemployment, contributing to the achievement of the MDG 1B. Governments that put employment at the center of their growth strategies are more likely to achieve better results in terms of growth, job creation and poverty reduction.

The Decent Work Country Programmes (DWCP) are the ILO's instrument to supporting member States. DWCPs are developed in close collaboration with all ILO's social partners. During the preparation process, consultations are made with locally based bilateral and multi-lateral development partners. I am pleased to inform you that the ILO has assisted the development and finalization of DWCP for most countries in Africa, and labour intensive investments in infrastructure appears as a priority in a large number of them.

One of the strengths of this approach is that it does not require large injections of external resources. It could purely be applied on locally available resources. It only requires three basic ingredients: commitment, an appropriate policy shift and capacity building. Application of employment-intensive approaches encourages local skills development at all levels: from the community to the public and private sectors. The use of local contractors and consultants is encouraged. Member States can use their own budgetary allocations to meet their development goals by merging their objectives of asset creation with their objectives of creating employment and business opportunities.

His excellency, Honorable Ministers, dear participants,

Employment is the route out of poverty and a foundation for peaceful coexistence. I believe it is with this shared objective and mindset that all of you: decision makers, practitioners and development partners, are sitting here together to discuss the challenges and draw an action plan.

African Heads of State have made political commitments at national, regional and global forums to eradicating poverty through employment centered development strategies. It is now our responsibility to assist in translating these

political commitments into concrete action in the fields of employment creation, public works programmes and infrastructure investments.

I look forward to positive outcomes and resolutions towards concrete actions from your deliberations.

Thank you!