



AFRICAN PARLIAMENTARY UNION

APU

R.128/33/10

RESOLUTION

on

“Promoting employment-generating investments as a basis for sustainable growth and development”

The African Parliamentary Union, meeting at its 33rd Conference held from 2 to 3 December 2010 in Malabo (Equatorial Guinea),

Noting that almost half of the African population live below the poverty line and that it would be difficult to achieve the Millennium Development Goals (MDGs) if growth rates do not increase;

Convinced that rampant poverty, unemployment and underemployment undermine fundamental human rights and the dignity of the people and the communities affected, and constitutes a threat to social, economic and political stability;

Deeply concerned by the extent of poverty, unemployment and underemployment in the informal economy in urban and rural areas;

Noting that the link between, the promotion of education and employment;

Noting that low economic growth, poor economic governance, corruption and social inequalities, are the causes of poverty and unemployment;

Convinced that the promotion of democracy, human rights, security, stability and the rule of law in African countries create an enabling environment for investments;

Affirming that only productive investments in agriculture and small and medium enterprises (SMEs) can ensure sustainable, high and job-creating growth;

Convinced that sustained economic growth is a necessary but inadequate condition for poverty reduction, and therefore must be based on investments in employment creating sectors;

Considering that growth leads increase in incomes levels and paves the way to sustained poverty reduction, improved livelihoods and development in general;

Noting that African countries can no longer rely on the commodities trade to promote high and sustained growth, but rather on growth factors based on the accumulation of productive resources, including human resources;

Concerned by the rising youth unemployment, the lack of access to education and training, the difficulties to receive treatment for diseases like HIV/AIDS, tuberculosis, malaria and other infections;

Also concerned by the lack of social protection affecting especially women, the youth, the disabled and vulnerable persons in the informal economy ;

Noting the constant challenges and impediments to gender equality because of the under-representation of women on political and economic decision making bodies and the insufficient use of their potential to create jobs ;

Considering that the informal sector has become one of the main sectors of employment in urban areas;

Noting that unemployment is particularly high in rural areas and that underemployment is predominant in traditional farming and in the informal sector in urban areas;

Also noting that sociopolitical conflicts and natural disasters are major obstacles to the continent's efforts in job creation and poverty reduction; and **concerned** by the alarming trend of child labour and trafficking and the phenomenon of child soldiers;

Deploring the weak commitments of the continent's development partners in granting new and additional funds, cancelling debts, increasing direct foreign investments and harmonizing official development assistance, and **convinced** that additional funds are imperative to support the continent's own efforts to meet the MDGs by 2015;

Underlining the importance of the Global Solidarity Fund established by resolution 55/210 of the United Nations General Assembly to promote employment in the world and in Africa;

Supporting efforts by governments, social partners and civil society organizations aimed at promoting the International Labour Organization's programme for decent employment;

Acknowledging that while globalization has offered opportunities for Africa, it has also, marginalized the continent, worsened poverty, under-employment, indebtedness and the lack of competitiveness;

Recalling the outcomes of the Extraordinary Summit of Heads of State and Government on Agriculture and Water held in Syrte (February 2004);

Also recalling the objective of NEPAD and the Plan of Action for employment promotion and poverty reduction adopted at the 3rd extraordinary Session of the Assembly of the African Union in Ouagadougou (3-9 September 2004);

1. Requests African governments to promote an environment of good political and economic governance, security and stability aimed at attracting investments and creating jobs, and also at promoting sustainable development and poverty reduction under NEPAD and the MDGs.

2. Commits governments to place job creation, poverty reduction and the promotion of decent and well remunerated jobs at the heart of their political strategies.

3. Calls on governments to adopt macroeconomic and sector-based policies geared to the realization of full and productive employment in rural and urban areas.

4. Urges African countries to adapt to the ever-changing economic conditions, to technologies and the job markets, by implementing policies that will ensure workers and employers access to education, information and training.

5. Commits in this respect African countries to set up theoretical and practical learning systems to increase human resources so as to enable the economy to generate new ideas and create more value added from the resources available.

6. Calls on governments pursue the economic reforms, paying particular attention to job creation and poverty reduction and to adopt cautious monetary and budgetary policies preserving macroeconomic stability and an enabling environment for local and foreign investments.

7. Requests African countries to adopt a multifaceted and long term strategy for promoting investments and job creation. All sectors of the economy (formal, informal, and agricultural) should focus on employment promotion.

8. Underlines the importance of growth in public investments for human and infrastructure development; and African governments must mobilize the necessary resources and make provision for health services and good education and training systems as well as efficient infrastructure networks (roads, electricity, communications) to cut investment costs and develop intra-African trade.

9. Stresses on the need to allocate more investment resources to labour-intensive sectors such as farming, rural sector and the informal sector in urban areas. To this end small and medium enterprises should be allocated a bigger share of the investments.

10. Strongly urges governments to take the following supportive measures to promote investment and employment:

a) At the national level

- (a) Promote reforms in the private and public sectors to create employment;
- (b) Revise and improve the legal and regulatory frameworks in order to support and protect investments;
- (c) Redirect investments to the public sector and restructure industrial and agricultural sectors;
- (d) Set up mechanisms aimed at promoting investments in a dynamic private sector;

- (e) Simplify documentation and procedures through a one-stop-shop, so as to facilitate operations, accelerate investment returns and lower investment costs;
- (f) Set up anti-corruption mechanisms;
- (g) Promote investments in labour-intensive sectors, especially in the areas of infrastructures and agro-industry;
- (h) Facilitate access to land for industrial purposes;
- (i) Support African investors by granting credit terms and guaranties, as well as an attractive business environment;
- (j) Adopt investment-friendly tax policies, especially in areas with high unemployment;
- (k) Provide tax exemption for machine and equipment imports;
- (l) Promote technologies likely to create productive employment, self-employment, the sense of initiative, small and medium enterprises as well as the search of new approaches to generate incomes and purchasing;
- (m) Strengthen the role of banking and non-banking institutions to develop job generating investments. Investment banks should be invited to set up business in African countries;
- (n) Promote entrepreneurship among vulnerable groups, especially women and the youth;
- (o) Organize the informal sector by setting up support mechanisms through training and access to credit;
- (p) Promote capital markets as a means to financing economic activity and development and not for financial speculation.
- (q) Grant financial support to businesses to help them pay the interests on loans taken out with banks, especially for businesses situated in areas of development that need promotion.

b) At the regional level

- (a) Develop an investment-friendly environment in line with NEPAD priorities and objectives;
- (b) Strengthen the role of the Regional Economic Communities (RECs) in order to promote regional integration, the mobilization of regional and foreign investments and job creation;
- (c) Increase economic opportunities by harmonizing labour laws and mutually recognizing educational qualification systems;
- (d) Include an employment perspective in regional initiatives;
- (e) Promote regional projects especially in the area of environmental conservation and renewable energy;
- (f) Promote long and medium term regionalisation of capital markets.

11. Requests African countries to promote investments in agricultural and mining processing industries aimed at job creation and value-added.

12. Urges African governments to give priority to domestic debt payments, especially for productive businesses. This would help maintain productive activities, preserve employment and promote reinvestment.

13. Calls on international and regional financial institutions, such as the African Development Bank (AfDB) to promote access by African countries to funding for agro-industries and infrastructures.

14. Supports investments protection agreements signed between African and developed countries to protect and encourage mutual investments.

15. Calls on developed countries and donors to increase concessional flows and fulfill their commitments in terms of Official Development Assistance and mobilization of additional resources for development financing.

16. Requests governments to ensure the creation of quality jobs and the protection of fundamental rights and interest of workers and the observance of International Labour Organization conventions, including those prohibiting child labour, protecting the freedom of association, the right to organize and the right to collective bargaining and the principal of non discrimination.

17. Calls for the establishment of international cooperation and partnership to support, at the international level, Africa's efforts in terms of sustainable development, employment promotion, poverty alleviation, regional integration and a better participation in a fair and equitable globalization process.