

## Potsdam Spring Dialogues 2016

### 'Pathways towards Coordinated African Migration Governance: The African Regional Organisations' Role'

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## Talking Points

By

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#### SESSION IV

#### **MOBILITY AND EMPLOYMENT: MOTOR FOR REGIONAL ECONOMIC INTEGRATION?**

##### **Key Questions:**

*How much progress have the AU and RECs made on implementing the JLMP, and what challenges do they face? How are the RECs utilising the potential of labour mobility to stimulate regional economic integration? What lessons can be learned from the EU's responses to challenges such as Member States' differing levels of economic performance and labour market dynamics?*

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#### **INTRODUCTION**

The AU Migration Policy Framework approved by African Heads of State in Banjul in June 2006 rightly recognized that "migration will be a major topic in the 21st Century". Increasing cross-border labour and skills mobility has made migration an ever more urgent challenge for governance across Africa.

It is estimated that 31 million African people are living in countries other than their place of birth, with 77% of them from Africa, excluding North Africa. These figures do not account for large numbers of mobile workers and traders across Africa who retain residence in country of citizenship. In fact, crossing borders for trading, especially by women, is common in the sub-region and depending on the length of the stay, may not be thought of as migration.<sup>1</sup>

Cross-border mobility will only increase in Africa in the foreseeable future given that on current trends, Africa has the fastest growing working age population. In 2015, 54% of Africans were aged between 15 and 64 years. By 2050 close to 60% of Africa's population will be in the working age group.

It is estimated that in the next 10 years, Africa will need to create 110 million 'new' jobs to absorb the current and future labour force. Within the past 10 years, Africa has created over 37 million wage-paying jobs; however, the pace of job creation has not kept pace with the number of people joining the workforce each year.

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<sup>1</sup> Shaw (2007).

This has several potential implications for labour markets, including a large number of unemployed or inactive youth, a smaller share of wage employed workers, a growing informal sector, and ***an increased propensity to migrate in search of suitable employment opportunities***.

Much of this mobility in Africa as elsewhere takes place within Regional Economic Communities (RECs): 70% of migrants originating in West Africa go to other ECOWAS member states, estimates are 50 to 60% in Central, Eastern and Southern Africa. In North Africa only 10% of migrants move within the sub-region.

As a result, there is renewed interest in the improved governance of labour migration within the continent to enable the optimization of the development benefits of migration, particularly within the regional integration agenda of both the ECA and AUC.

To this effect, the AUC, ILO, IOM and ECA, based on inputs from the RECs, have developed a Joint Labour Migration Programme (JLMP) on labour migration governance, which is also the topic and focus of the Potsdam Spring Dialogues.

But before I get to the specific questions that guide this session, I would like to unpack and examine the topic itself. My contention is that while mobility and employment can be the motor for regional economic integration, the causality can also go the other way. That is, regional economic integration promotes mobility and increased employment.

For this we need to recognize that regional economic integration is much broader than efforts simply to liberalize trade. It also includes investments in regional infrastructure, harmonization of regulations and standards, common approaches to macroeconomic policy, management of shared natural resources, and greater labour mobility.

Africa has made commendable efforts toward regional integration in recent years with the adoption of the Accra Declaration to accelerate the economic and political integration of the African continent. The regional economic communities (SADC, COMESA, EAC, and ECOWAS) have introduced rules for free movement of nationals among their member states, but progress has been slow and difficult.

However, except in ECOWAS and increasingly in the EAC, these agreements have generally been poorly implemented or contradicted by the restrictive policies and practices of member states.<sup>2</sup>

I also wish to draw your attention to an often ignored fact that Africa is home to over two thirds of the world's Least Developed Countries (LDCs), ***12 of which have no access to the sea***. Thus, regional economic integration is central for Africa's development to compensate for the disadvantage of being landlocked and the fragmentation that limits market size and denies economies of scale to many countries.

Broader integration and cooperation in complementary sectors would not only support the economic potential of the region but also create opportunities for resilience by pooling capacities to respond to vulnerabilities. Although tariff reductions and the creation of customs unions across the region are steps in the right direction, deeper levels of integration involving investments in infrastructure, technological upgrading and policy harmonization are likely to enhance competitiveness and productivity, and employment opportunities, especially for young Africans.

Better management of labour mobility protects migrants and respects human rights, particularly of women and young workers, and enhance incomes.

But regional economic integration cannot be divorced from Africa's integration with the global community. The interlinkages are quite straightforward and clear. The reduction of tariffs on African agriculture exports in global markets would yield benefits for Africa based on its current set of endowments, particularly for rural areas. Higher rural incomes would allow individuals to invest in education and health, thereby creating a healthy and skilled workforce.

Integration within Africa would promote manufacturing and natural resources, creating jobs in urban areas for the young, healthy and skilled workforce and thus, potentially support industrialization and a sustained diversification from agriculture.

However, the potential benefits of greater integration are likely to accrue unevenly. Countries dependent on trade taxes are likely to suffer a loss of tariff revenue which could increase resistance to regional integration.

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<sup>2</sup> Adepoju (2001); Ricca (1990).

Simulations undertaken by UNDP<sup>3</sup> suggest that the revenue lost can be partly compensated for through the dynamic effects of integration which leads to economic growth and welfare gains over the long-term.

The evolution and integration of regionalized labour markets in RECs offers context and opportunity for promoting regularization of employment relations to sustain decent work conditions for workers while also enhancing conditions for improving productivity.

Still, labour mobility is one of the trickiest issues in regional integration despite its inclusion in the protocols and objectives of most RECs.

There is a political dimension to the problem which needs to be addressed through dialogue. Due to domestic political factors, countries tend to reserve national jobs for their own citizens, potentially leading to a suboptimal allocation of resources at the regional level.

In many countries, youth under-employment is high as a result of population growth and the failure to build economies that generate enough jobs. Moreover, more than three quarters of workers in Africa, excluding North Africa, were in vulnerable employment in 2009. In fact, although labour statistics in Africa are very approximate, youth under-employment remains one of the key challenges facing Africa.

In these circumstances, it is politically difficult to allow foreigners to work in a country where a large number of nationals are jobless or under-employed. In Central Africa for example, citizens of neighbouring countries are required to produce visas when they cross borders despite the existence of integration agreements, including a monetary union.

The main features of migration in Africa, that also shape the context for addressing the impact of mobility on labour and employment relations, include absence of regulation and protection for migrant workers, feminization of migration, slow implementation of free movement regimes, absence of capacity of labour institutions, and weakness of labour market legislation, institutions and data.

It is to address these issues that the JLMP was launched in 2014.

### **The Joint Labour Migration Programme (JLMP).**

- The Joint Programme on Labour Migration Governance for Development and Integration in Africa is a new undertaking between the African Union Commission; the International Labour Organization (ILO), the International Organization for Migration (IOM), the Economic Commission for Africa (ECA), and UNDP (mainly on social protection).
- It is the instrument dedicated to the implementation of the 5th Key Priority Area of the Declaration and Plan of Action on Employment, Poverty Eradication and Inclusive Development which were adopted by the Assembly of Heads of States and Governments in Addis Ababa, Ethiopia, January 2015. The Joint Programme is anchored on the AU Migration Policy Framework and it supports achievement of the Sustainable Development Goals (SDGs) and Agenda 2063.
- Responding to the needs explicitly identified by RECs and social partners as well as those defined in AU regional policy instruments, the joint programme focuses on critical areas of facilitating free movement in respect of REC Protocols and migration policy harmonisation.

### **Objectives of the JLMP**

- The overall objective is to: “strengthen the effective governance and regulation of labour migration and mobility in Africa, under the rule of law and with the involvement of key stakeholders across governments, legislatures, social partners, migrants, international organizations, NGOs and civil society organizations”.

This effort is initially structured in a four year cooperation and capacity building programme expected to:

- Extend decent work and social protection to migrant workers and their families
- Strengthen regional integration and inclusive development

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<sup>3</sup> UNDP, 2011, Regional integration and human development: A pathway for Africa, UNDP, New York.

- Encourage employment, productivity, productive investment, and business success
- Enable better social and economic integration of migrants, effective labour and social protection mechanisms, and sustainable labour market systems

The JLMP conducts coordinated and simultaneous interventions across two main thematic areas: governance and operational implementation.

- The governance component addresses the critical need to develop in concert the four cardinal pillars of labour migration governance: law based on international standards, establishing viable and coherent policy, strengthening the core institutions, and engaging tripartite participation and cooperation among the main economic actors.
- The implementation component covers key inter-dependent technical operational areas: decent work and social protection for migrant workers and their families, addressing the key constraint of skills shortages, and obtaining essential data and knowledge for governance of labour migration and protection of migrants.

Common strategic operational steps across the components are: establishing baseline assessments and data; guiding policy and practice with international standards and good practices; promoting policy implementation; supporting institutional consolidation; and conducting training and capacity-building of actors to enable their success in practice.

Implementation of the JLMP will be conducted in phased, sequential actions determined within each REC, and is at the continental (protocols) and RECs.

#### **What has been achieved so far?**

- A number of stakeholder engagements have been undertaken, among them are:
  - 1<sup>st</sup> African Union Technical Meeting on Labour Migration with RECs, Business and Workers Organizations in December 2013 in Addis Ababa
  - Joint Programme adopted by Heads of State during the 24<sup>th</sup> Session of African Union Assembly in January 2015 in Addis Ababa
  - Meeting of all RECs, Social Partners and Civil Society Organizations to agree on implementation modalities, March 2015, Kigali.
- Labour Migration Statistics Baseline and country review and validation completed in November 2013.
- Continental review of the free movement regimes commissioned as the basis for developing the Africa Protocol on Free Movement of People, December 2015.
- Two studies have been commissioned:
  - Access to Social Security for Migrant Workers
  - Innovative Social Protection arrangement for migrant workers through remittances
- In collaboration with the RECs and national statistical offices (NSOs) of 37 member states, a draft of the First Labour Migration Statistics in Africa under preparation and will be launched in June 2016 in Geneva on the margins of the ILO Conference. A workshop will take place in Dakar with RECs and selected NSOs to endorse the report
- Study on continental and regional qualifications framework. The recommendations were adopted by the Specialized Technical Committee on Science, Technology, Education and TVET in October 2015.

#### **Challenges of the JLMP**

- Paucity of disaggregated data on characteristics and conditions of labour migrants, data required for policy in economic, labour, enterprise development, investment, education, and social protection areas.
- Growing gaps between labour market needs vs number and types of skills produced in Africa
- Funding is limited and still applying to various stakeholders.

## Roles of the Members States and RECs

1. **Member States:** will be directly responsible for the project implementation. The targeted ministries are: Ministries of Labour/Employment, Public Employment Services, and Social Protection/Social Security Ministries/Agencies. The project will engage Immigration departments, Home Affairs/Interior Ministries as well as national institutions involved in the production of economic, labour and migration-related data (particularly National Statistical Offices).
2. **Regional Economic Commissions:** Responsible for the implementation of free circulation regimes, enhancement of labour and social protection, and improved tripartite consultation and coordination on labour migration.

**Future Actions and Activities:** In 2016 & 17, the JLMP activities and deliverables will be:

- Promote and advise on the elaboration and implementation of the labour migration policy frameworks
- Initiating the process of mainstreaming migration into employment, labour market, social security and vocational training policies.
- Identify and support enhanced capacities of government units responsible for labour migration governance.
- Facilitate and enhance the capacities of social partners and diaspora organizations through training and capacity building for labour institutions.
- Initiate the promotion of the adoption and application international Labour Standards, particularly those applying to places and conditions where migrants are working.
- Organize the Labour Migration Academy of Africa

## How are RECS utilizing the potential of labour mobility to stimulate regional economic integration?

Have responded to some of these issues in my introduction

In addition, need to note:

- issues of ease of travelling to and within their regions- cf. ECOWAS and East African passports. But reality of difficulties in travelling, including the requirement for transit visas (for example through South Africa to Lesotho, Mozambique, Zimbabwe etc.).
- cf. the power of states to over-ride the decisions of RECs that leads to state driven and shaped commitments. Overall there is insufficient political will to drive mobility
- Some recognition of qualifications, work permits and social security, for example in the East Common Market Protocol; SADC recognition of social security; but cf. varying work permit fees

Making the business case: At the same time, evidence of the potential gains from mobility and the socio-economic losses from non-mobility have not been presented to make the business case in support of regional economic integration, and the role of the private sector in this is weak. Greater public awareness and education needed on the opportunities

NB: provisions already exist for high skilled workers within and across RECs (cf. South Africa and Tunisian doctors). Also in the EAC, for high skilled suppliers- cf. EAC Schedule contained in free movement of workers' regulations (these include Science, Mathematics, Technology and Engineering professionals, teaching professionals etc)- guarantees free movement of service and service suppliers of nationals of EAC partners (Uganda for example makes commitments in 27 sectors and 53 subsectors within their own EIA processes). Various layers of skill levels can be accommodated, including lower skilled workers and access it for employment

-Potential for continental free trade area (CFTA) through liberalizing WTO Mode 4 (presence of natural persons) access