

EAST AFRICAN TRADE UNION CONFEDERATION



YOUTH EMPLOYMENT POLICIES IN EAST AFRICAN STATES

28 March 2011

1. Introduction

Despite the global economic and financial crisis of 2007 African countries have witnessed economic growth rates averaging 5 per cent for the period between late 1990s into the first decade of the second millennium. However the tremendous economic growth rates have not resulted in welfare gains for the citizens of these African countries. Many have observed that while employment growth is constrained in the absence of economic growth it is not automatic either in conditions of economic growth, therefore resulting in “Jobless growth.” Therefore, a reemphasis on the importance of developmental policies to focus not only on macro-economic variables but also on labour market issues and employment creation is beginning to emerge as a priority for African states.

In the quest to develop “pro-growth” policies, it has been acknowledged that Macroeconomic policies resulting in positive employment outcomes are gaining ground as the preferred kind of pro-growth policies. Countries that have experienced significant poverty reduction have witnessed increased employment outcomes, consistent with the fundamental linkage between employment and poverty reduction. Therefore macroeconomic policy reforms that result in high growth are increasingly becoming important in the academic circles as well as policy formulation arena, with an emerging consensus that high growth that results in significant welfare improvements is good growth solely on its ability to generate positive employment outcomes.

Secondly the challenge of unemployment and underemployment is increasingly becoming the key socioeconomic issue for governments and political leaders. High population growth rates in East African states averaging 3 per cent annually for the last 15 years have seen significant changes in the demographic structures with youth (people aged between 15 to 24) comprising over 50 per cent of the population. The emerging problem of youth unemployment is especially grave as a segment of the labour force that is disproportionately affected.

Finally structural changes in the national economies with a shift towards greater GDP contribution by the informal sector, impacts highly on the quality of employment created. Informal sector jobs are characterized by low productivity, low wages, poor working conditions, and lack of access to fundamental rights for the workers. This has further complicated

employment policies particularly for young people, as new entrants to the labour market, structural shifts result in majority entering the informal sector thus impacting negatively on poverty reduction outcomes.

This paper reviews youth employment policies in East African Community member states, and their impact on poverty reduction. For purposes of the analysis youth is considered as persons aged between 15 and 24 years in conformity to the ILO definition. The analysis will examine the impact of the policies on youth employment and isolate the policy issues and conclude with policy recommendations and conclusion.

For a systematic presentation the paper is organized in five parts as follows. Part 1 includes the macroeconomic framework and explains the linkage between poverty and unemployment. Part 2 reviews various regional initiatives being developed and implemented by EAC, part 3 gives a brief country level situational analysis highlighting the policies and strategies undertaken to address youth employment. Part 4 gives the main policy issues and recommendations, and part 5 contains the summary and conclusions.

1.1. Background

After nearly three decades Africa is growing in tandem with the rest of the world. The last two decades has witnessed improved economic growth rates in sub-Saharan Africa. Annual GDP growth rates in the region have averaged 5 per cent. Growth was highest in Eastern Africa at 8.2 per cent, followed by Southern Africa at 6.7 per cent, Western Africa at 5.5 per cent, North Africa 5.45 per cent, and Central Africa at 4.9 per cent. However despite the positive economic growth majority of African states have not witnessed improvements in the general welfare of the people, challenges of high unemployment rates, high levels of poverty and worsening socioeconomic conditions are commonplace in majority of African countries.

Macroeconomic policies and employment¹

The tremendous growth rates witnessed in African countries have come on the back of macroeconomic reforms undertaken in the 1980s to the late 1990s under IMF/World Bank's

¹ See Muqtada (2010) and Islam (2004) for a discussion on orthodox macroeconomic policies and employment outcomes

Structural Adjustment Programmes (SAP). These policies comprise of macroeconomic stabilization policies that include elimination of foreign exchange controls, inflation targeting monetary policies, austerity measures in fiscal policy, and privatization of State owned enterprises. While these policies have resulted in better monetary policies, liberalization in financial markets and institutionalization of a free market economy, the one-size-fits-all reforms that singularly focused on achieving macroeconomic stability has led to well-documented unsatisfactory socioeconomic outcomes with very high social costs.

Consensus is that high growth rates are necessary for poverty reduction but are not sufficient. The pattern and sources of that growth as well as the distribution of its benefits are what determine its impact on poverty reduction. High growth rates that accompany general improvements in the socioeconomic conditions of the people is what is ultimately desired, and employment creation plays a key role in that context.

Indeed countries that have experienced high employment growth alongside high rates of economic growth are also the ones who have succeeded in significant poverty reduction. In that respect we deduce that not all high growth is good growth, there can also be bad growth. The distinguishing factor being the welfare effect that the growth results in, with bad growth being growth that does not result in better welfare conditions, while good growth is growth that results in improved welfare conditions as manifested by reduction of poverty conditions, employment creation, and improved standards of living.

Therefore the central place that employment occupies as a route out of poverty is crucial in the development of macroeconomic policies.

Poverty and Unemployment

As stated above the challenge of unemployment has compounded the poverty problem in African countries, with high unemployment rates and underemployment. The African Union notes the continent-wide unemployment rate for 2009 as being 8.2 per cent in the year 2009. The ILO (2010) states that three quarters of workers in sub-Saharan Africa are in vulnerable employment, characterized by inadequate earnings, low productivity, and difficult work conditions that undermine fundamental rights. These are individuals who are less likely to have formal working

arrangements, and are therefore more likely to lack decent working conditions, adequate social security and effective representation by trade unions.

The resulting poverty level is estimated to be about 47 per cent of the total population, manifested by socio-economic problems which include deteriorating standards in quality of education, inadequate access to affordable healthcare amidst high levels of poverty.

The situation in the East African Community member states is even more alarming. Rapid population growth rates of about 3 per cent annually witnessed for the last 15 years, coupled with low economic growth rates occasioning high unemployment and underemployment; recurring droughts and an economic environment experiencing external economic shocks beyond the control of national governments, has resulted in majority of the working population settling in low paying jobs in temporary positions with long working hours and poor working conditions with few if any social protection.

Young people are adversely affected by unemployment; the youth defined as persons between 15 and 24 years of age make up half of the world's total unemployed work force with about 89 million unemployed out of a total of 192 million people out of work in 2005. ILO figures indicate that over a quarter of youth in sub-Saharan Africa are estimated to be neither in Education nor Employment. As new entrants to the job market, young people often cannot avoid finding themselves in these situations. The changing structures of African economies with an increasing trend of greater informal sector vis-à-vis the formal sector, has seen many youth enter the informal sector as it is the major source of employment.

2. East African Community: Present Context

Article 5 paragraph 1 of the EAC Treaty states that partner states will endeavour 'to develop policies and programmes aimed at widening and deepening co-operation among the Partner States in political, economic, social and cultural fields ... for their mutual benefit.' It goes on to state, '...in accordance with the provisions of the Treaty, a Customs Union, a Common Market , subsequently a Monetary Union and ultimately a Political Federation in order to strengthen and regulate the industrial, commercial, infrastructural, cultural, social, political and other relations of the Partner States to the end that there shall be accelerated, harmonious and balanced

development and sustained expansion of economic activities, the benefit of which shall be equitably shared.’

The EAC has therefore embarked on attainment of the milestones of the Preferential Trade Area as outlined in the provisions of the Treaty. Currently, the EAC Customs Union with a Common External Tariff (CET) was acceded in 2005 and the EAC Common Market in July 2010. While these milestones are at different levels of implementation, key issues such as youth unemployment have been identified as key areas of priority. Below is a brief highlight of some of the main developments at the EAC.

2.1.EAC Strategic Plan on Gender, Youth, Children, Social Protection and Community Development 2011-2015

The EAC Strategic Plan on Gender and Youth is one of the key regional policy strategies under development. It focuses on making policies and programs in EAC Member State economies more equitable and sustainable. The formulation of the Strategic Plan on Gender and Youth is premised on the fact that, while there has been notable progress on some of global and national commitments in each Member State, many others have lagged behind, given inadequate opportunities for economic and social mobility, ineffective and unaccountable institutions, and widespread social tensions and conflict. Leading to a general consensus that independent policy prescriptions have not proved sufficient to achieve cohesive, socially just and prosperous societies in almost all the member states.

One of the key priorities that the Strategic Plan on Gender and Youth hopes to address is youth unemployment. Its drafters note that unemployment and underemployment is one of the most formidable challenge facing youth in East Africa. The rapid population growth averaging 3 percent per year for the last 15 years in the region has created a huge population growth momentum that will take many years to taper.

The Framework observes that, invariably across all member states despite expansions of democratic governance on the region and the increasing priority attached to youth participation in policy-making, youth structures and processes are seldom sufficiently resourced, and young people often lack the capacity or know-how to function independently or to implement programmes envisioned by policies.

The EAC Strategic Plan on Gender and Youth concludes that its main goal will include ensuring full enjoyment by young people of all human rights and fundamental freedoms including migration and labour mobility rights. It goes further to charge governments with the responsibility of taking effective action against violations of these rights and freedoms and to promote non-discrimination, tolerance, respect for diversity, with full respect for various religious and ethical values, cultural backgrounds and philosophical convictions of their young people, equality of opportunity, solidarity, security and participation of all young women and men. And finally for governments to also make efforts to improve youth participation in decision-making processes and democratic discussion forums, and empower youth to fully participate and benefit from the regional economic social and political youth programmes and projects.

Overall the EAC Strategic Plan on Gender and Youth recognizes the need for member states to first, harmonize youth policies that also provides a binding framework for effective implementation of youth programmes and projects. Second, prioritize the issue of high levels of youth unemployment and underemployment in national development programmes complemented by clear programmes to address unemployment, and with specific provisions for youth with disabilities to ensure that they have equal access to opportunities. Third, increase investment in youth development and empowerment including through the provision of sufficient and sustainable resources for technical and professional skills development and youth employment. Lastly, for member states to consider developing an EAC population and migration policy to help with implementation of the EAC Common Market Protocol.

2.2.Draft EAC Youth Policy (September 2010)

The EAC community and its development partners are currently drafting the Regional Youth Policy. As already mentioned, youth unemployment has been identified as one of the key challenges facing the youth. The draft policy notes that national governments need to develop clear national and regional strategies for youth empowerment and participation in national development that are consistent with international commitments entered by individual states. The current situation is that the youth have not been accorded adequate opportunities to participate in processes and structures where they can express themselves towards contributing to the political, social and economic development of their countries.

On employment, the draft policy observes that opportunities for employment are inadequate to cater for the youth who graduate into the job-market. While the environment for self-employment is not youth-friendly as the resources are not sufficient to developing entrepreneurial skills among young people, neither does it facilitate their entry into business particularly in remote/rural areas. Even where the opportunities exist, the youth face various challenges including not receiving equal pay for equal work and being exposed to hazardous working environments.

Broadly, the objectives of the EAC Draft Youth Policy are to mainstream youth issues in policies, laws and programmes at the regional level; to empower the youth to develop their potential, creativity and skills as productive and dynamic members of the society; to ensure youth participation in political processes and peace building for political, social and economic stability of the East Africa region; to ensure youth participation in the design, implementation, monitoring and evaluation of national and regional development plans, policies and strategies, amongst others.

Overall, the underpinning goal of the youth policy as regards employment is to foster adoption and application by member states of core elements of gainful employment, which include the right to freely choose a lawful occupation, to receive equal pay for equal work, to work under equitable and satisfactory conditions that respect their dignity, for maximum working hours with daily and weekly rest periods and annual period of paid leave, and to be protected from unfair and, or, unjustified dismissal.

The EAC Youth policy builds on the policy interventions and actions as highlighted by the EAC Strategic Plan on Gender and Youth. The extent to which EAC member states are able to implement these interventions in tackling youth unemployment will largely depend on the macroeconomic policies they undertake as well as how the youth employment targeting programmes are designed.

3. Situational Analysis: Individual Country Implementation of Youth Policies

Despite the void of a regional EAC policy on youth employment, various EAC member states have been implementing youth policies driven by their own internal challenges and demands.

This section reviews the status of the interventions as undertaken by individual member states in the EAC.

3.1.Kenya

Kenya being the only non-LDC state in EAC has the largest economy in East Africa with GDP standing at USD 18 billion (ILO, 2007). However, 46 per cent of the population is living below the poverty line of one-dollar-a-day, determined to be absolute poor. Specifically, the agricultural sector continues to be a dominant sector of the economy, providing 75 per cent of the employment opportunity for the labor force with about 25 per cent contribution to GDP. The traditional social structure means that most live in large extended families on family farms that have existed for many generations. The country continues to struggle in developing an industrialization strategy that will result in positive human resource development. Like its neighboring EAC partner states, Kenya's hurdle to the young seeking employment is unemployment and underemployment, meaning that individuals are accepting work below their potential worth, the youth employment is a key factor to achieving economic stability and growth .

Approximately half of the Kenyan population is aged less than 15 years forming 60 per cent of the Kenyan labor force. The unemployment trend has been steadily increasing over the last twenty years from 16 to 25 per cent in the urban areas to more than 9 per cent in the rural areas (ILO, 2007). Young workers are employed in temporary or casual terms of employment with low income levels and virtually no social protection. In urban settings, concentrations are seen in such occupations as sales, cleaning, domestic care, etc. In a more modern setting, the youth are employed in food processing, industries, textiles, and transport services.

Young women face even greater challenges in the perpetuation of cultural attitudes and discriminatory practices (ILO, 2007). It can be noted that females have less access to education and training opportunities. This is consistent with the gender situation in East African Community member states where the youth is characterized as a female of 18.5 years of age living in a rural area and is literate but not attending school.

Kenya's Vision 2030 and the Medium Term Expenditure Framework have highlighted the need to increase GDP growth by improving productivity and creating a conducive business

environment that will foster entrepreneurial growth. The Vision envisages a private sector led market oriented development strategy with a central focus on government facilitating the private sector to achieve the growth milestones needed to achieve middle income status with GDP per capita levels of USD 3000 by the year 2030. It is noteworthy to observe that the Post-Election Violence of 2008, the Global Economic and Financial Crisis of 2007, and the concurrent failure of consistent and reliable rainfall in the last four planting seasons leading up to 2011 have placed a major setback on the attainment of the growth milestones as contained in the Vision 2030 strategy. Further, the employment outcomes of the policies will largely determine the impact of the policies on poverty reduction and economic development.

The following table illustrates some of the government, ILO and other development practitioners' efforts towards youth unemployment and underemployment in Kenya.

Table 1. Kenya Government and International Agencies Responses to Youth Employment

ILO/UN/WORLD BANK YOUTH EMPLOYMENT NETWORK (YEN) 2005	KENYA UNDAF	CHILD LABOR LAWS	SOCIAL SECURITY LAWS	ILO
Ministry of Youth Affairs—Kenya ILO-Develop HRD strategies; creation of job opportunities	Focus on children	ILO CONVENTIONS 138 (Minimum Wage) of 1973 and 182 (worst child labor forms) of 1999	Being established by the Ministry of Labor and Human Resource Development	Assist with Kenya's goal of being the lead country within the YEN network
Women Entrepreneurship funds—GOWE: Growth Oriented	Strengthen emergency preparedness, prevention	UN Convention on the Rights of the Child (UNCRC)		Provide support for labor market information by quantitative and

Women's Network	response, and national systems	of 1990		qualitative databases by age and sex
National Employment Policy and Strategy	Promote sustainable livelihoods	African Charter on Rights and Welfare of the Child (ACRWC)		Provide linkages to counseling, training, and entrepreneurship assistance; SYNDICOOP: organizing of informal economy through joint cooperative
Economic Recovery Strategy for Wealth and Employment Creation (ERS)	Reduce socioeconomic effect of HIV/AIDS	National Plan of Action--Kenya		Assist with the ERS; technical advice; implementation and monitoring

Source: Ministry of Labour and HRD 2005; Roundtable Meeting, 2003; UNDP, 2003; ILO, 2004; Report to ILC, (Youth) 2005; ILO, 2005.

3.2.Uganda

Uganda has experienced strong economic growth averaging 6.5 per cent per annum for the period 1992 to 2006 and a high rise in the real private investment since the early 1990s. Uganda's economy is characterized by a large agricultural sector representing 73.3 per cent of the GDP with about 65 percent of the employed youth in the sector; large informal activities as evidenced by 26.5 per cent of the working population who are in the informal sector, and a low

share of wages to total national income; while 76 per cent of the employed persons have primary level and below educational attainment.

The Uganda Vision 2025 and the Poverty Eradication Action Plan II (PEAP II) have defined a long-term strategic blueprint for the country with initiatives aimed at sustaining rapid economic growth and tackling poverty in the broader sense. Positive economic growth has been recorded over a number of years, however, poverty levels have not been significantly reduced and a significant proportion of the people still live below the poverty line. The poor can only meaningfully benefit from such growth if the growth is achieved through their participation in the country's economic development process. And if the poor are to participate in this process, they must have access to gainful employment opportunities.

The Uganda National Household Survey (UNHS) 2005/06 states that, the labour force stood at 10.9 million with an annual growth rate of 3.6 per cent. This means that the Ugandan economy has to create new entrants about 390,000 new jobs a year. It underlines that development of productive employment has not kept pace with labour supply. The magnitude of the employment challenge is further complicated by the need to increase productivity of 1.3 million under-employed nationals particularly in rural areas. The same survey indicates that youth constitute 29 per cent of the overall population, make up 41 per cent of the total labour force and contribute 58 per cent of the total unemployed persons, with youth unemployment rates exceeding the adult unemployment rates. Female youth constitute 62 per cent of the female unemployed persons.

In developing policy interventions the Ugandan government has implemented various policies touching on youth and employment. The 2001 National Youth Policy (NYP) recommends the implementation of specific youth employment interventions. Other initiatives include the 2002 National Action Plan for Children and Youth, the Education Sector Investment Plan (ESIP), the Universal Education (UPE) Programme and the 2004 National Employment Plan. Finally, the Social Development Sector Strategic Investment Plan (2004-08) targets youth employment. Table 2 highlights some of the key programmes and their objectives;

Table2: Youth employment Programmes under implementation by Ugandan government

World Programme Action Plan for Youth (WPAY)	National Youth Policy	Social Development Sector Investment Plan (SDIP)
Ministry of Gender, Labour & Social Development: Department of Youth, Minister for State for Youth Affairs	Advocates for youth empowerment through education, training and capacity building	Provides for social protection, gender equality and equity, and human rights for the poor and vulnerable.
Policy formulation, standard setting, quality assurance and training of youth	Advocate for formulation and implementation of an appropriate National Employment Policy	Mobilization of communities to participate in development programmes, reduction of inequality and exclusion.
National youth council for organization of youth representation for socioeconomic development	Advocate for increased effective youth representation and participation in key positions of decision-making, leadership and management at all levels of Government and in the civil society	Developing enabling environment for increased employment opportunities, protection of vulnerable persons from deprivation and livelihood risks as well as gender mainstreaming
Constitution of Uganda provides for affirmative action policy for youth representation in National Parliament and local councils	Advocate for the improvement, provision and expansion of access to services including Information, guidance and counselling and make them youth friendly.	

3.3.Tanzania

Tanzania has experienced average GDP growth rates of 6 per cent over the last decade. Foreign Direct Investment (FDI) has increased, as well as domestic investment in infrastructure, telecommunication, mining and tourism. Inflation has also remained single digit, albeit above 5 per cent. However, the prevalence of income and non-income poverty is still high in Tanzania with a large disparity between urban and rural areas.

According to the Household Budget Survey (HBS) of 2000/01, the proportion of the population below the national food poverty line is 18.7 per cent and that below the national basic needs poverty line is 35.7 per cent, indicating a small decline in the proportion of the population below the national poverty lines from the HBS 1991/92. Tanzania has been unable to achieve the national target of halving income poverty by 2010. The challenge is to ensure that future growth is pro-poor and employment generating.

As with the rest of the EAC member states an area of policy concern is that of high rates of unemployment and underemployment. The stable economic growth witnessed in previous years has not resulted in adequate employment opportunities for the large unemployed labour force. Unemployment in 2006 stood at 2.3 million equivalent to 12.9 per cent of the labour force. Labour productivity and incomes are lower in the rural areas than in urban areas.

Recognizing this concern, the government has committed itself to the creation of over one million jobs the next five years, including jobs for young women and men. In 2004, the second Poverty Reduction Strategy (PRSP) known as the National Strategy for Growth and Reduction of Poverty (NSGRP) for 2005/6-2009/10 mainstreamed the MDGs into the nation's key policy priorities for the next development period. The NSGRP is based on three broad objectives: Growth and Reduction of Income Poverty; Improvement of Quality of Life and Social Well Being; and Governance and Accountability.

The general consensus is that for the nation to achieve its objectives under the NSGRP there is need for increased access to sustainable income generating opportunities, productive employment and food security in the rural areas and urban areas. Significant poverty reduction can only be realized through creation of opportunities for decent work with a focus on young

men and women. Table 3 below shows the various strategies undertaken to tackle youth unemployment in Tanzania.

However many challenges stand in the way of this vision, the youth population in Tanzania is growing and remains high, constituting more than 30 per cent of the total population and 68 per cent of the national labour force. Unemployment rates and under employment is quite high particularly for the youth, who also lack voice in decision-making bodies, making them vulnerable to social exclusion and poverty. According to the labour force survey of 2001, youth unemployment increased by 11 per cent from 1991 to 2001. It is estimated that approximately 57 per cent of the unemployed young Tanzanians in the mainland are women, who are facing greater constraints in joining the labour force compared to young men due to factors such as low education and skills, cultural attitudes and practices, discrimination, and limited opportunities to access productive resources. Further, of the 700,000 who graduate annually from primary, secondary and tertiary schools in mainland Tanzania only 40,000 get absorbed into formal wage employment. Overall, only 7 per cent of the labour force was engaged in formal wage employment, while 82 per cent is engaged in the agriculture sector.

Table 3: Strategies for youth employment in Tanzania

Department of Youth affairs under the ministry of Labour Youth and Sports Development	National Youth Policy
To coordinate Labour Policy, National Employment Policy, Trade Unions, Human Resources Development Programmes, International Labour Organizations,	Promote respect for various cultural, religious and political differences and identities and instill the spirit of tolerance and unity in diversity among the youth
Co-ordination and Facilitation of Informal Sector, Youth Development , Employment and Youth Self-reliance Projects, Vocational Training Youth Organizations Social Welfare Policy, Probation and Repatriation of Destitutes, Policy on Games and Sports	To promote the lives of youth, female and male, by developing them in the areas of economy, culture, politics, responsible parenthood, education and health

Development and its implementation	
Development of Human Resources under this Ministry.	To mobilize youth and the community to appreciate, promote and defend rights of the youth according to the constitution of the land
Ensure development of all sports at national and international levels	To involve various sectors, institutions and various organizations in the implementation of youth development plans in order to control the negative effects or influences accruing from economic, social, political and cultural processes.
Vocation Education and Training programs have been developed. These programs are regulated by Vocational Education and Training Authority (VETA)	To prepare the youths physically, mentally, economically, politically and culturally so that they may be able to assume various responsibilities as citizens, parents and leaders in the copy
	To enable youths to participate in the struggle to bring about national development.
	establish a Youth Council and Youth Development Committees which together will assist in providing guidance in the planning and implementation of youth activities

3.4.Rwanda

Rwanda launched its third Poverty Reduction Strategy Paper (PRSP) in 2007 known as the Economic Development and Poverty Reduction Strategy (EDPRS). It focuses on growth and poverty reduction by highlighting six pillars, namely, transformation of the agricultural sector; human development through improved education and health, economic infrastructure; human resources and capacity building; private sector development; and good governance. The EDPRS

is in line with objectives of Rwanda's Vision 2020 which aims to launch Rwanda into a middle income economy by the year 2020.

Rwanda has in the previous year's recorded GDP growth rates of between 4 and 6 per cent. Agricultural sector is the largest contributor to the economy with about 43 per cent of GDP. The key export commodities continue to be coffee and tea contributing over 50 per cent of total export value.

The National Labor Market Survey (NMLS) in 2006 estimates that about 3.7 million workers live in rural areas, where 86 per cent work in agriculture, forestry or fishing as their main jobs. Nationally the number of employed people grew by almost a quarter. While the majority of new work opportunities are still on farms, almost a quarter of jobs taken since the 2001 are non-farm waged work, while 19 per cent of jobs are in small enterprises. Specifically, the number of sales personnel, skilled service workers and unskilled laborers working outside of agriculture has significantly increased.

The NMLS observes that young workers will become an increasing feature of the labor market as between 2006 and 2011 another one million children will become 15 years old. In 2006 only 100,000 of them were economically active. These numbers will increase dramatically as the rising birth rates and falling death rates have an impact, highlighting an opportunity to set up labor market information and linkage systems to support this burgeoning workforce.

Another concern that the NMLS notes is gender equity in youth employment. Young women stay at home on the family farm in greater numbers than young men. They also enter wage employment at a lower rate than their male counterparts. For instance, in 2006, 58 per cent of young men aged between 15 and 20 years worked on the family farm as compared to 73 per cent of young women. Another 25 per cent of young men took wage work, half in farming and half in other industries; only 18 per cent of young women had wage employment.

Overall, unemployment is not considered a serious problem in Rwanda. However, pockets of unemployment exist among unskilled people. To tackle this emerging unemployment, the government is in the process of creating a vocational training centre with the aim of training people particularly for middle management jobs.

3.5.Burundi

Burundi is one of the world's poorest countries, with per capita incomes at USD 83 as at 2004. The seriousness of poverty poses a major risk to the country's economic and social recovery. Currently in the post-conflict situation of economic difficulty characterized by insufficient production and low incomes, with low levels of international assistance and investment, Burundi has witnessed GDP growth rates averaging 3.3 per cent in 2010, down from 4 per cent in 2008 owing to an economic slowdown in 2009. Mainly due to the recent Global Economic and Financial crisis of 2007, transmitted through the price of petroleum products, a drop in tourism revenues and reduction of donor aid flows. However other macroeconomic indicators have been on a positive trend with a decline in the level of inflation to the 2007 position and a decrease in the current account balance.

While some progress has been made in the implementation of economic reforms, the social situation remains difficult due to widespread poverty and a shortfall in basic social services coverage, amongst other problems. The 1998 household survey indicates that the poverty rate for the whole country was 81 percent, extrapolated to be about 75 per cent in 2010; with the human development index (HDI) of 0.413, the lowest in the East African Community with 0.521 for Kenya, 0.505 for Uganda, 0.467 for Tanzania and 0.452 for Rwanda.

In 2009 the unemployment rate stood at about 35 per cent of Burundi's economically active population, of whom 10.7 per cent have not been to school, 13.7 per cent have had primary level education, 18.9 per cent have a general secondary education and 12 per cent have had university education.

Burundi is currently implementing its first Poverty Reduction Strategy Paper (PRSP), and is among Highly Indebted Poor Countries (HIPC) that has received 100 per cent debt relief under the World Bank/IMF/ African Development Bank Multilateral Debt Relief Initiative (MDRI). The PRSP highlights government's objective as being to achieve real GDP growth of 6 to 7 per cent. Such rapid growth is possible only if substantial investments are made to transform the rural sector and measures taken to ensure that underprivileged groups are able to participate in boosting production.

Development of the labour market has been identified as one of the policy priorities; the PRSP observes that the labor market in Burundi is characterized by mounting demographic pressure, excessive dependence on the agricultural sector, an unskilled labor force, a lack of proper job training, and a poorly controlled informal sector.

The PRSP notes that one of the pressing challenges that the government must address is how to adopt policies that will enable the economy to absorb youth as new entrants to the labor market, on the one hand, and real and hidden unemployed populations in rural and urban areas, on the other. The problem is particularly acute because of rapid expansion of the labour force in the face of an employment shortage and a population growth rate of 2.7 per cent.

With a total population of 7.3 million estimates indicate that the labour force i.e. people aged between 15 and 64 years of age, is about 3.5 million, with about 80 per cent of them employed on family farms in the agricultural sector.

In the non-agricultural sector of the economy, opportunities to create new jobs are limited, with a low capacity to absorb new entrants, particularly the youth and a private sector that is virtually non-existent, as new investments are yet to resume.

The strategy highlights key reforms necessary for diversification of employment and income opportunities to include: promotion of microcredit throughout the country, promotion of labour intensive activities and to strengthen income generating activities.

Overall Burundi has not been able to comprehensively tackle youth unemployment perhaps owing to the fact that they are in a post conflict era and are still grappling with instituting structural reforms aimed at jump starting economic development and reversing the decline witnessed during the decade of civil war.

4. Policy issues and Recommendations

4.1. Economic policies do not integrate employment outcomes.

EAC member states have managed to implement policies that result in economic growth over minimum durations of one year, however there has been less impact on poverty reduction. On the contrary the situation has seen socio-economic conditions either remain the same or worsen. Leading us to observe that the PRSPs being implemented by the EAC member states have failed to take into account the employment outcomes, and have therefore not been 'pro-growth.'

National governments should consider the impact of their economic policies on employment creation as it is not sufficient to have economic growth that does not result in poverty reduction. Achievement of positive employment outcomes should be the goal of every macroeconomic policy undertaken in order to guarantee development of 'pro-growth' policies. Employment policy targeting should not be left to employment policies only but ought to rather be the goal of each policy and strategy under implementation.

4.2. Incoherent national frameworks and disharmony of policies at the regional level.

The EAC has made some initiatives to outline development of employment policies targeting the youth; however EAC Partner states continue to implement disharmonized policies even within the domestic legal frameworks. Thereby creating incoherence at both the national/ domestic level as well as at the regional level.

EAC member states should harmonize all domestic policy initiatives dealing with youth employment so as to create coherence and harmony in national programmes by minimizing duplication and facilitating development and implementation of national youth policies. Further a regional youth policy should outline the necessary country level policy actions that result in equalization and convergence of all the youth employment issues.

4.3. Informal economy and its ability to create decent jobs.

In most of the EAC member states there is emerging a worrying trend of higher growth of the informal sector as compared to the formal. The main concern being that the informal sector has overtaken the formal sector as the main source of employment creation. This creates apprehension as governments are increasingly tasking the informal sector with the responsibility

of growing job creation. However what governments have not taken into consideration is that workers in the informal sector are lowly paid, have low productivity, work in poor conditions and have no motivation to work other than the instinctual urge to survive. Governments, development partners and other stakeholders need to re-think on how they support the sector to create decent work for the youth.

4.4.Youth participation in policy formulation.

It has been noted that in most of the EAC partner states, youth employment policies are at various stages of implementation, however what is beginning to emerge is that the key institutions that require implementation often fail to secure financial support from the government even when the policies have been legislated in law. This therefore provides significant inhibition for the extent of youth participation through their various organs as may be required by the laws. Crucial funds to operationalize key organs such as youth councils and youth assemblies are often lacking, this is despite existence of regional initiatives as well as international conventions that member states are signatories to.

Youth participation in formulation of youth employment policies should be implemented. Facilitation through provision of funds, organizational capacities, skills and so on in order to meaningful and relevant engagement of the youth in national and regional level policy development.

4.5.Gender issues in youth employment.

A cross cutting issue across all the EAC member states continues to be the impact of these policies on gender. Females are the most affected segment of the youth population. While the EAC has various initiatives on gender, youth and employment, haste should be made to operationalize some of the priority areas that have a general consensus across all member states.

4.6.Impact of HIV/AIDS on youth employment.

The EAC member states have achieved tremendous headway in dealing with the HIV/AIDS scourge in their countries, although a notable exception is Burundi, which continues to grapple with the toil that the scourge has had on its population. Youth behavior should be monitored

closely as the programmes continue so as to bring HIV/AIDS incidence under control. The programmes should be strengthened to build on already achieved outcomes.

4.7. Comprehensive Employment Programmes

EAC member states and development partners should comprehensive employment programmes that meet all the key elements of on the job training and experience, specialized training on core business/ entrepreneurial skills, job search assistance and meaningful long-term regular training. These have been shown to impact positively on long term employability.

4.8. Regular Labour Market Survey

Industry surveys should be undertaken by governments and development partners in order to provide information on the kind of jobs demanded by the private sector and the expected skill set of the average worker in a given industry. This will help policy makers in determining the capacity and efficiency of the labour market within the EAC member states.

5. Summary and Conclusion

The EAC Treaty is clear on the regional vision in terms of harmonization and development of common economic policies, youth employment being one them. EAC member states should use this as the foundation to begin a common and integrated pursuit of economic development by way of common and convergent youth employment policies. The initiatives by the EAC on youth policy are commendable only to the point of implementation by partner states. Therefore without clear implementation plans even by national member states, member states risk losing the opportunity to fully harness the potential that the EAC Common Market guarantees by way of free movement of persons.

The implementation of the EAC Common Market is an opportunity for EAC member states to harvest all the hard work that went into negotiating the protocol. As it is now there exists a lot of commonalities in the national policies and visions that are capable of being integrated into a regional vision for the EAC.

The top priorities for a youth employment strategy are four issues; employability; equal employment for men and women; entrepreneurship and employment creation. The task whether

at national level or regional level is to develop youth employment strategies that are efficient effective and transparent in promoting youth mobility and employment.

References

Africa Development Indicators (2007), World Bank: Washington DC.

Africa Development Indicators (2008), *Youth and Employment in Africa*, World Bank: Washington DC.

Africa Economic Outlook (2007), 'Burundi' AfDB/OECD

Africa Economic Outlook (2007), 'Kenya' AfDB/OECD

Africa Economic Outlook (2007), 'Rwanda' AfDB/OECD

Africa Economic Outlook (2007), 'Uganda' AfDB/OECD

Africa Economic Outlook (2007), 'Tanzania' AfDB/OECD

African Union (2009), *Impact of the global crisis on employment and labour markets in Africa*, African Union:

African Union, *Plan of Action for Promotion of Employment and Poverty Alleviation 2004-2009*, African Union

Betcherman G et al (2007), *A Review of Interventions to Support Young Workers: Findings of the Youth Employment Inventory*, World Bank Discussion Paper

Brenda L. Geren, (2009), *The Decent Work Agenda in Kenya*, Proceedings of the 10th annual conference, IAABD: Bahrain

EAC (2010), *EAC Social Development Framework for East African Community*, EAC: Arusha

_____ (2010), *EAC Draft youth policy*, EAC Secretariat: Arusha

_____ (2010), *EAC Strategic plan on Gender, Youth, Children, Social Protection and Community Development*, EAC Secretariat: Arusha

Education Development Center (2009), *Rwanda Youth Employment Assessment Report*, USAID:

- Haji Semboja (2007), *'The Youth Employment in East Africa: An Integrated Labour Market Perspective,'* African Integration Review
- ILO (2004), *'Gender and Employment Dimensions of Poverty: Policy Issues, Challenges and Responses,'* ILO: Geneva
- _____ (2005), *'Resolutions concerning youth employment'* ILO: Geneva
- _____ (2005), *'Decent work country program Tanzania 2006-2010,'* ILO: Dar es Salaam
- _____ (2007), *'Decent work country program Uganda 2007-2010,'* ILO:
- _____ (2009), *'Protecting people promoting jobs,'* ILO: Geneva
- _____ (2010), *'Global Employment Trends for Youth,'* ILO: Geneva
- _____ (2011), *'Global Employment Trends 2011: The challenge of a jobs recovery,'* ILO: Geneva
- Ishengoma K Esther and Kappel Robert (2009), *'Wellbeing Poverty and Informal employment in Tanzania,'* Book chapter in African Development perspectives, Ed. Karl Wohlmuth et al.
- Islam Rizwanul (2004), *'The Nexus of Economic Growth, Employment and Poverty Reduction: An Empirical Analysis,'* ILO: Geneva
- Muqtada Muhammed (2010), *'The crisis of orthodox macroeconomic policy: The case for a renewed commitment to full employment,'* ILO: Geneva
- Nayenga R Nabbumba (2008), *'Chronic Poverty and Agriculture in Uganda,'* Development Training and Research: Kampala
- Okidi A John and Mugambe K Gloria (2002), *'An Overview of Chronic Poverty and Development Policy in Uganda,'* Economic Policy Research Center: Kampala
- Okidi A. John and Deininger Klaus (2002), *'Growth and poverty reduction in Uganda, 1992-2000: Panel data evidence,'* World Bank and Economic Research and Policy Center: Kampala

Republic of Burundi (2006), Poverty Reduction Strategy Paper, ROB: Bujumbura

Republic of Kenya (2008), Medium Term Expenditure Framework 2008-2014, GOK: Nairobi

Republic of Rwanda (2007), Economic Development and Poverty Reduction Strategy (EDPRS),
ROR: Kigali

_____ (2006), National Labour Market Survey, ROR: Kigali

Republic of Uganda, Poverty Eradication Action Plan II, ROU: Kampala

_____ (2001), National Youth Policy: A vision for Youth in the 21st Century, MoGLSD:
Kampala

Ronnås Per et al (2010), *'Rwanda forging ahead: The challenge of getting everybody on board,'*
ILO: Geneva

UNCTAD (2006), *'Rwanda'*

UNDP (2006), *'Poverty, Unemployment and Social Exclusion,'* UNDP: Croatia

UNECA, *'The poverty challenge in Africa: placing decent employment at the heart of the battle,'*

United Republic of Tanzania (2005), National Strategy for Growth and Reduction of Poverty
(NSGRP) 2005/6-2009/10, ROT: Dar es Salaam

_____ (1996), National Youth Development Policy, MoLY&SD: Dar es Salaam

Cunningham W & Salvagno B (2011), *'Youth Employment Transitions in Latin America,'* World
Bank: New York

Wobst Peter (2010), *'Promoting Youth Employment and Entrepreneurship,'* 19th CTA Brussels
Rural Development Briefing