Success
Africa

Reducing poverty through decent work
30 stories

Réduction de la pauvreté par le travail décent
30 expériences positives

An ILO Contribution to the Social Partners Forum
3-4 September 2004

Une contribution du BIT au Forum des partenaires sociaux
3-4 septembre 2004

Ouagadougou, Burkina Faso
Success Africa

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Across Africa, there is a growing recognition that employment and empowerment are the keys to breaking the bonds of poverty and promoting dignity for all. And throughout the continent, there are successful efforts taking root that are grounded in African initiative, energy and creativity.

*Success Africa* is an attempt to share some of those stories and describe what can happen through the coordinated efforts of governments, employers' and workers' organisations, international agencies and donors to make decent work a reality. It offers a chance to learn about innovative efforts to support more people living in poverty with the tools to build better lives for themselves and their families.

This binder brings together 30 cases of successful activities to promote employment generation and other aspects of decent work as a means to reducing poverty. This is far from being an exhaustive compendium of success in Africa. Instead, the stories represent a cross-section of challenges, ideas and activities. It includes: micro health insurance schemes in West Africa, textile sector development in North Africa and entrepreneurship training in East Africa. It describes collective efforts to create jobs through tourism in southern Africa and the importance of protecting the rights of indigenous peoples in Central Africa.

Some of the success stories also highlight that globalisation can contribute to tackle poverty in Africa if it is supported by principles of equity, good governance, empowerment and sustainability. This will require a massive and sustained effort by all stakeholders, at the local, national, regional and international levels as highlighted by the Report of the World Commission on the Social Dimension of Globalization.

The stories are not comprehensive accounts of project activities but provide a brief summary of decent work-related challenges, how a response was organised and what results were realised. The stories were not written to applaud the achievements of any individual governments, organisations or donors. While such applause is well-warranted, the purpose is to provide ideas for those working to reduce poverty through decent work in all parts of the continent. In this way, *Success Africa* is more than just a chronicle of past and present activities. Its real value lies in the ideas and inspiration it provides for the future. We invite you - as government leaders, policymakers, members of workers' and employers' organisations, and community actors - to utilize this compilation and see it as a work in progress. Use it. Exchange views. Share ideas. And, together, let us build on it.
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Introduction

The goal is clear: to reduce poverty through decent work.

The ILO took the initiative of collecting “Success Stories” in order to demonstrate how people in Africa are already working their way out of poverty.

Over 100 submissions were received\(^1\). The 30 cases selected and presented here provide some insight on how to reach our goal. These are real stories of people, activities, partnerships and results. They show how national governments, workers’ and employers’ organizations, and civil society can enhance the quantity and quality of employment in Africa by adopting innovative policy prescriptions with the support of the ILO, the UN System and the international donor community.

This initiative aims at identifying and documenting practical ways to alleviate poverty through Decent Work approaches in the following areas:

(1) Employment strategies through social dialogue,
(2) Rights and social protection,
(3) Entrepreneurship and competitive enterprises,
(4) Productivity and livelihoods in the rural economy, and
(5) Employability through skills and education.

The analysis of these successful cases shows how projects and programs could coherently come in support to national and international policies frameworks, such as the Poverty Reduction Strategy Papers (PRSPs) and other national development frameworks, the United Nations Development Assistance Framework (UNDAF), and the New Partnership for Africa’s Development (NEPAD), in order to generate substantial impact and contribute to the achievement of the Millennium Development Goals (MDGs). These projects and programs can also change the daily life of people, families and communities for the better. This will allow innovative employment policies to be institutionalised, scaled-up and made sustainable.

This exercise should not be viewed as an end in itself. On the contrary, we hope that it represents the beginning of an up-scaling process. The stories presented are 30 successful experiences of a winning Africa and could launch the collection of many more success stories in the coming future.

For information or comments on the success stories, please contact SuccessAfrica@ilo.org

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\(^1\) Annex: Submission list
The challenge for us now is to translate the growing awareness of the vital role of employment for poverty eradication into policies, programmes and investments that have a tangible impact on people, their families and the communities in which they live and work.

Working out of Poverty: Views from Africa
Special Supplementary Report by the Director General
ILO Tenth African Regional Meeting
Addis Ababa, December 2003
Since mid-2001, the ILO has sought to engage in Poverty Reduction Strategy Paper (PRSP) processes by promoting cross-sectoral strategies that integrate poverty reduction and decent work at the national level. Its activities in five African (and 10 non-African) countries centre on the following objectives:

- Empowering constituents (ministries of labour, trade unions and employers’ organisations) to influence the drafting and implementation of poverty reduction strategies through social dialogue;
- Incorporating the decent work agenda into PRSPs; and
- Influencing development organisations (multilateral, bilateral, NGOs and others) and government ministries – especially ministries of finance – to listen to constituents and embrace principles and rights at work, employment policies and social protection as poverty-reducing strategies.

The ILO has sought to put employment and equity at the heart of the debate on PRSPs, including an emphasis on how policies affect redistribution through, for example, a fair, efficient and effective fiscal policy, the promotion of core labour standards and other measures. Labour ministries, trade unions and employers’ organisations need to be more systematically integrated into the process underpinning the design and implementation of PRSPs. Without this, the participatory and national ownership principles of the PRSP process are seriously undermined. Governments are urged to include a more thorough analysis of employment and other aspects of decent work in the PRSP processes and its outcomes.

1. Integrating the decent work agenda into PRSPs, Tanzania, Mali, Ethiopia

Raising the profile of the constituents through PRSPs

A key difference between PRSP processes and past structural adjustment programs is the notion of national ownership based on an inclusive participatory process. This is consistent with a greater appreciation today of the need to strengthen democratic institutions and processes. Consequently, social dialogue is a vital process. At the country level, great attention has been placed on building the capacity of trade unions and employers’ associations and strengthening tripartism. As the ILO and constituents have become increasingly involved in PRSP activities, their profile and that of decent work have been enhanced in the international development community. Working relations with international financial institutions, notably the World Bank, with bilateral donors and others, are becoming more productive. The PRSP process, therefore, allows the ILO and constituents to be heard at the level of national planning and budgeting. Through this process, for example, the ILO and constituents have acquired a role in donor working groups and in PRSP task forces in several African countries.

Many reports, guides and manuals have been produced recently by the ILO that draw attention to poverty reduction. These have raised the visibility of decent work and that of constituents in various development forums and have led to a demonstration effect as many countries have requested ILO support in drafting or redrafting their PRSPs. The ILO has been involved in the PRSP process in Ghana (separate success story) and in the three countries below. Most recently, the Ministry of Finance in Sudan has requested support for the preparation of its Interim PRSP. In addition, national workshops were held in eight African countries to
support the involvement of trade unions in the PRSP process. A regional project in Zambia involving unions, World Bank, ILO and Friedrich Ebert Stiftung, a German foundation, was designed to build capacity and encourage social dialogue on poverty issues. This has resulted in better national-level dialogue between the World Bank and trade unions.

**Tanzania: measuring progress**

Tanzania was one of the original five pilot countries for the ILO’s work on PRSPs and, in 2001, was one of the first countries to receive Highly Indebted Poor Country (HIPC) debt relief. Three years of intensive implementation by the government and stakeholders, including the ILO, is showing signs of impact. The greatest gain in the social sector has been in educational enrolment, for which the ILO has provided technical support with constituents to assist working children to re-enter education. The ILO and constituents played an important role in reaching an agreement to use the number of working children as a national indicator of vulnerability. This ensures that progress is annually tracked and reported to public forums in which the PRSP is discussed. It also provides information towards national priorities and donor action. The ILO has supported the implementation and analysis of the national Integrated Labour Force Survey 2000/01 (the first of its kind to include a child labour component) and agreed to finance the survey in 2006. The ILO is working in partnership to mainstream decent work through a range of initiatives, including labour law reform, analytical work on employment, efforts to address urban youth unemployment and the strengthening of rural livelihoods through increased productivity.

**Ethiopia: strengthening social dialogue**

The ILO has provided training and awareness raising workshops with the tripartite actors on the substantive issues of the PRSP, as well as on the role and value of the consultative mechanism in the review, implementation and monitoring of the PRSP. The ILO has worked closely with the Ministry of Labour and Social Affairs, the Federation of Ethiopian Employers and the Confederation of Ethiopian Trade Unions to improve the involvement of the social partners in the PRSP process and promote labour-friendly policies. The activities have strengthened and re-invigorated the National Labour Advisory Board and supported the process towards ratification of Convention 144 on Tripartite Consultation. Key issues have included: gender, productivity enhancement through improved labour relations, effective social dialogue, constructive collective bargaining processes at enterprise and sectoral levels, peaceful resolution of labour disputes and improved labour-management cooperation.

**Contact**

National Policy Group, Policy Integration Department, International Labour Office, Geneva

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Donors: various

Timespan: 2001 - present
Textiles and garments are at the forefront of the export-led industrial growth in Morocco. From the early 1980s to the early 1990s, exports by this sector increased almost five-fold. The expansion has since slowed as a result of a fall in growth in export markets and declining demand at home. Nonetheless, the sector contributes 15% of the value added of the industrial sector and generates 34% of the value of manufactured exports. It remains a key source of employment; its 200,000 workers represent 42% of the country’s entire industrial workforce. Almost three-quarters of the workers in the sector are women.

To remain competitive, Morocco must keep abreast of changes in the global and regional markets. The liberalisation of the global trade regime governing textiles and the development of a trading area connecting North Africa not only to Europe but also to the U.S. provide new opportunities and also challenges for the country. To compete against producers in other countries requires that firms in Morocco respond quickly to changing designs, tastes and buyer requirements. Cost is only one aspect of competitiveness in a world in which just-in-time production techniques are the norm. At the same time, there is increasing concern among consumers in Europe, North America and elsewhere for the working conditions under which goods are produced. Bad publicity can quickly turn consumers and buyers to other producers. Corporate social responsibility is a way of maintaining market share as well as a goal in itself.

**Partners and activities**

By 2002, employers had developed a strategy to upgrade the sector. The strategy focused primarily on the conventional determinants of competitiveness, such as production costs, investment climate and political and economic stability. The government and the Employers’ Association were committed to this strategy. The ILO has sought to add value to these efforts by fostering a tripartite dialogue – employers, workers and government – on an approach to industry upgrading and competitiveness based on improved working conditions and labour-management cooperation, as well as other social dimensions of employment.

To that end, an agreement on a decent work pilot program was signed between the ILO and the Ministry of Labour in mid-2002. It was soon followed by the establishment of a tripartite steering committee which met in September of that year. A mission in early 2003 to the French Institute of Fashion allowed for the exchange of information on the respective European Union (EU) and ILO work undertaken with the Moroccan employers in the sector. (The EU also has a major technical cooperation programme.) Meanwhile, two national consultants, trusted by the social partners, were commissioned to study the social aspects of competitiveness.

Their study revealed a varied sectoral structure. The industry is composed of informal units and heterogeneous modern enterprises. While export-oriented activities are leading the growth of the sector, the activities geared to the domestic market and the informal economy generate most of the employment. The informal economy represents 70% of total employment and there are more people working at home than in industrial establishments. Some 90% of those working at home are women and this proportion has changed little over the base two decades even as employment has shifted slowly into the formal economy. Decent work deficits were identified mainly...
in the informal economy. These range from illegal recruitment to precarious types of employment, inadequate social protection coverage, poor working conditions, and unsteady social dialogue practises. Wages are often lower than the legal minimum wage and women suffer from wage discrimination. Those employers willing to redress these deficits are faced with a number of internal and external structural constraints. Objective factors that constrain the industry include: the seasonality of exports, conditions imposed by buyers, sub-contracting arrangements and prevailing labour relations patterns characterised by low job security.

**Results and policy impact**

The insights from the study have fed into tripartite discussion. In addition, employer and worker representatives decided to set up their own Joint Committee. Both bilateral and trilateral discussions focused on developing an action plan for the industry. In December 2003, employers, workers and government representatives adopted a ‘National Tripartite Action Plan to promote the competitiveness of the textile and clothing industries though the promotion of decent work’. Under the plan, activities have been launched to demonstrate how promoting decent work through social dialogue can contribute to improving the quality and quantity of employment. These activities include: i) training on collective bargaining and dispute resolution; ii) training on productivity and occupational safety and health; iii) development of a gender strategy by the social partners; iv) a review of existing training programs with a view to maximising their impact and improving their coordination; v) a rapid assessment of the prevalence of child labour; and, v) development of a ‘social management upgrading’ project in a selected number of enterprises.

The work of the ILO will now involve bringing on board the technical expertise of its various units including skills training, small and medium enterprise development, productivity increase through international labour standards, safe working conditions, employment strategy, gender, rights and other areas, etc. It is a broad approach touching on all aspects of decent work.

**Up-scaling**

The extent to which the program will be a full success is not known. A level of success has been achieved already by bringing the social partners and government together to work on competitiveness. Central to that dialogue is the notion of decent work as a competitive factor. This process and actions to be taken are an interesting case for the entire continent. While manufacturing in much of Africa has yet to make significant inroads into global markets, there is much that is changing in North Africa and in a limited number of other countries. The activities in Morocco are important as a possible test case for industrialisation Africa through decent work.

**Contact**

Morocco Decent Work Pilot Programme, National Policy Group, Policy Integration Department, ILO

www.ilo.org/public/english/bureau/dwpp/

**Donors:** ILO

**Timespan:** 2002 - present
In many African countries, independent workers in the informal economy lack representation and access to social security. The ILO is encouraging trade unions to organise these workers so that methods of collective action can be used to improve their living and working conditions. A project covering Burkina Faso, Mali, Niger and Senegal provides interesting insights into this type of union activity.

**Partners and activities**

A national coordinator was appointed in each country and a national project steering committee established, with the participation of the main trade unions. National studies were conducted of the informal economy, which were synthesised by a chief technical advisor for the entire project. This allowed for the development of a strategic orientation to guide union activity in the informal economy. Each country focused on four regions and five occupations. Funding was provided by the Danish aid agency, DANIDA.

**Results**

In **Burkina Faso**, a policy and plan of action for union involvement in the informal economy was defined. The four targeted occupations were: fruit and vegetable sellers, garment makers, motorbike mechanics and metal workers. Some 76 animators were trained in issues related to the informal economy and union activities. They organised into professional groups a total of 2,091 informal sector workers of which 42% were women. The workers opted for professional associations instead of union structures due to the political pressure within the professions (the national federation of artisans and many NGOs were opposed to the project) and the unions’ bad image (too politicised). Some 43 professional groups were created, while 39 existing ones worked with the project. Professional group structures were also organised at the national level. The project assisted in the creation of a social security mutual to provide coverage for marriage, birth, death, illness and credit for consumption.

In **Mali**, the project was to provide the trade union movement with a coherent approach to the informal economy. Unfortunately, divisions between the country’s two key unions hampered that initiative. Nonetheless, the project was able to achieve some success with a total of 489 union trainers receiving training in 15 localities. The four occupations chosen were: women textiles makers, women restaurant owners and food processors, metal workers and mechanics. Twelve informal worker unions and two professional associations were created (women were less keen to form unions). Information sessions within these 14 groups involved association life, management, health and security at work, and access to micro-credit. Some 1,074 informal workers benefited from these activities. Micro credit funds were set up in the priority regions and FCFA 2-3 million was lent to informal sector workers in each region. The success resulted in funds being set up in non-priority regions. The project also undertook an important safety and health campaign, supported by audio-visual materials.

In **Niger**, the two main trade unions gave the project their full support and considerable funding. In the four priority regions, 546 informal sector leaders were trained through study circles. A range of information and technical materials were developed, including: manuals and studies on training animators on informal economy organisation and
the use of study circles; studies on health risks faced by chefs, restaurant worker/owners and garments makers; a feasibility study for establishing a health mutual and a compendium of the ILO’s international conventions. Some 24 trade-based unions were created, along with four federations and one confederation. A health mutual was established and a safety and health campaign for informal workers was conducted. In addition, a Centre for Unions in the Informal Economy (Maison du Syndicat du Sector Informel) was established in the capital, Niamey, financed by the two main unions. The centre will be used by the organisers of the health and credit mutual and the new occupational unions but it will also be the site of a new Informal Sector Foundation. The foundation was created in 2001 with a broad range of support: unions; ministries of labour, artisans and planning; NGOs; informal sector organisations; and interested international agencies such as the ILO. It will continue to support the objectives of the project and provide the basis for an active social dialogue between unions, government and the informal sector.

In Senegal, the project suffered from delays and some discord between two of the major unions. Nonetheless, a national study was realised and a conference held. Four priorities were adopted, touching on legal, economic, financial and educational aspects. Training seminars were held to train union trainers who, in turn, trained a total of 792 people in issues related to organising informal workers. The occupations chosen were: fish merchants, dyers, second-hand clothing sellers and market gardeners. They had previously been organised into occupational associations and were now aided in establishing health mutuals. Each cooperative was able to secure FCFA 2,200,000 for the mutual. The cooperatives aided their members in the purchase of inputs and the selling of output and one was able to secure a loan of FCFA 5 million from a local bank. A literacy program was organised for those managing the cooperatives and health mutuals.

**Policy impact**

The project has changed the attitudes of many trade union leaders towards organising and supporting the informal economy. For example, an internal evaluation noted that the project’s activities in Mali supported a thawing in societal relations. The informal economy was no longer demonised or its importance underestimated, while informal economy workers found that union structures were opened to them. In addition, trade union policy statements now dedicate considerable attention to the informal economy.

**Up-scaling**

The project is replicable in other countries where trade unions have an interest in supporting informal economy workers. The project has demonstrated that it is important that the key unions are able to cooperate with each other.

**Contact**

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www.ilo.org/actrav
Donors: Denmark
Timespan: 1998 - 2001
Kenya, Rwanda, Tanzania, Uganda

The informal economy is often referred to as the ‘invisible’ or ‘underground’ economy. In East Africa, as elsewhere in the region, informal activities are far from being invisible. Most of the activity is not hidden away in basements and backstreet shops. Instead, informal workers stand on street corners selling newspapers, fruit, watches or whatever else they think will generate income. They offer to shine the shoes or cut the hair of office workers, store clerks and tourists. Away from the centre of cities and on the edges of market areas, they make chairs, pails and cooking pots, noting their activities on hand-pained, make-shift signs.

Their informality consists not of invisibility but the lack of connection to the formal structures of society, those of both government and civil society. As a result, they lack representation and the support needed for their entrepreneurial activity. Part of the problem is that those who work in the informal economy often cannot be clearly defined as ‘workers’ or ‘entrepreneurs’. They may not be considered workers because they are not employed by others. At the same time, their precarious, single-person operations are often not considered proper businesses and so they find it difficult to join business associations. If these people are invisible, they are so to the organisations that might represent and support them.

**Partners and activities**

A collaborative international effort has been made recently to reach out to these workers by changing the mindsets of leaders in trade unions and cooperatives. The initiative, known as SYNDICOOP, was developed in Geneva as a joint effort of the International Cooperative Alliance, International Confederation of Free Trade Unions and the ILO. Operational activities are supported by their regional offices in East Africa. The effort, begun in 2002, focuses on Rwanda, Tanzania and Uganda, with Kenya being included more recently.

In each country, a national steering committee brings together representations from associations of trades unions and cooperatives, governments and the leaders of small groups of informal economy workers. In Tanzania, the committee includes the Trade Union Congress of Tanzania, Tanzania Federation of Cooperatives, Savings and Credit Cooperative Union, the government and individual informal economy groups. An important first step has involved assisting cooperative and trade union leaders to think about adopting their operations to represent informal workers. Part of the aim is to combine the representation and rights aspects of trade unions with the services provided by cooperatives. In each country, ten cooperative, trade union and informal economy group leaders have been trained in these issues. In addition, each national steering committee has selected a number of informal economy groups to work with directly. By May 2004, there were 12 such groups in Uganda, seven in Tanzania and five in Rwanda. In each country, the gender of groups and individuals is being monitored to ensure an equitable balance. More groups will be added as the activities are scaled up under the new phase.

**Results**

A key aspect of the project is to ensure that groups gain assistance in improving working conditions and generating income. To this end, each national committee has established a revolving loan fund for member...
groups. In Rwanda, the project has supported a group of women waste collectors and recyclers. These women have relied on this activity to generate income after their husbands were killed in the genocide. Their organisation, AMIZERO, has received advice on working conditions – which can be hazardous given the nature of their activity – and will use credit to purchase supplies and tools. The main recycling activity involves collecting household waste, either from public bins or scattered heaps. This waste, including potato and banana peels, is dried and made into briquettes for cooking. The briquettes, which are sold to households, are cheaper than charcoal and help to reduce the cutting of trees around the city. Dealing with waste is hazardous, so the project is working on effective training and the use of protective gear to protect the working conditions of these women and the removal of their children from these activities.

Other groups which will benefit consist of arts and crafts producers, cyclists providing public transport, a similar group using motorbikes and door-to-door clothes sellers. Working conditions issues involve the nature of protective clothing and traffic conditions. The sector groups and activities vary between countries. In Uganda, for example, one of the key groups is the Shoe Shiners Industrial Cooperative Society, which will use credit from the revolving fund to produce brushes, polish and other supplies used by its members.

**Policy impact**

A goal of the activity is to have wider impact on the policy process. To that end, a link has been established with the PRSP process.

The focal point for poverty strategy in the finance ministry has joined the national steering committees in each of the four countries. This provides a direct channel between informal economy groups and the poverty reduction strategy. Because the PRSP is the basis for the use of funds saved through debt relief, the SYNDICOOP link may provide the basis for increased support for the poor working in the informal economy. In addition, in 2003 the ICA and the ILO brought together cooperative leaders from 10 eastern and southern African countries to participate in a PRSP training workshop in Tanzania. Each country developed a plan of action for engaging in the PRSP process. Before this, only the Kenya cooperative movement had been involved. In Uganda, detailed follow-up has already taken place and the cooperative movement has been involved in the PRSP revision process.

**Up-scaling**

The problems of low income and poor working conditions in the informal economy are not confined to East Africa but are a concern throughout Africa. Adapting and developing the role of trade unions and cooperatives may be a novel way of addressing those concerns.

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or East Africa regional offices (ICA/ROECSA and ICFTU/AFRO)

**Donors:** Netherlands
**Timespan:** 2002 - 2005
The economic development and indeed daily life of Mozambique was interrupted during the 1980s by civil conflict. This forced the migration of five million people, the disruption of farming and trading, the abandonment of land and the cessation of many government services. It also affected a labour-based Feeder Roads Programme (FRP) begun in 1981 in the province of Zambezia. The program was not abandoned but was moved to the south of the country. When the Peace Accords were signed in 1992, most of the country was poor and disconnected.

The FRP was rapidly scaled-up because it met several key needs. By rehabilitating the road system, the project could get the country connected and the economy moving again. The value of the programme consisted of much more than infrastructure work, however. The approach was labour-based, which meant that techniques emphasised the use of manual workers over heavy machinery. By hiring and paying wages to local people, the program channelled money directly to ordinary households and allowed them to rebuild their lives, rehabilitate their land and revive the post-war economy. Indeed, about half of the project’s total construction costs went directly into wages.

### Results

Between 1992 and 2002, over 7,900 km of roads were opened. This facilitated a large resettlement of displaced persons and the revival of vast areas of abandoned land. More than 40,000 rural people worked on the FRP, which created about eight million days (or 26,000 person-years) of employment. The nature of the work varied, with many of the manual tasks involving the use of tools and techniques common to agricultural activities. Light machinery was used for the heavier tasks. Some 5,000 person-weeks of training on labour-based methods were provided for those engaged in skilled, supervisory and managerial positions. Expatriate technical advisors have also transferred technology (expertise) to local counterparts during the implementation of the project.

Project organisers were keen to ensure the adequate involvement of women; in 1992, only about 2% of workers were female. This figure rose to 19% by 2002 as a result of the establishment in 1996 of a Gender Unit. Four years later, this unit was incorporated
into a new Social Issues Unit within the National Roads Administration.

Between 2001 and 2003, an HIV/AIDS component was added with many activities taking place along a portion of the national highway. Working with the group Population Services International, activities included: theatre and videos on HIV/AIDS; music concerts; discussion groups on behaviour change; advice on local counselling and testing; training of selected employees as peer educators; billboards; and, the distribution of awareness-raising items (t-shirts, pens, etc.).

Policy impact

The FRP has contributed to the development of a new Roads Policy by the government. The policy seeks, in part, to increase the social and economic benefits of road work by introducing clauses and specifications into work contracts. Key aspects include: involving local authorities and communities; maximising employment opportunities; enforcing core labour standards, including gender equity and a ban on child labour; providing training and work opportunities for local contractors; and, promoting HIV/AIDS awareness and prevention. A labour-based approach to infrastructure is now also a part of the government’s Action Plan for the Reduction of Absolute Poverty. The FRP has had a significant impact on policy because it has been transformed, over time, from a stand-alone program to an integral part of the Directorate of Regional Roads in the National Roads Administration.

Up-scaling

The FRP benefited from the ILO’s experience of using labour-intensive infrastructure methods in other countries. In addition, study tours were arranged for Mozambicans to visit Kenya, Uganda and Zimbabwe. In 2002, Mozambique, in collaboration with the ILO, hosted the 9th Regional Seminar on Labour Based Practitioners to share ideas and experiences. The seminar attracted 189 participants from 22 countries, including some from outside of Africa.
How can developing countries create and sustain economic dynamism and job creation at the local level? Discussions about the opportunities of globalisation may seem distant to local communities, where people’s attention is focused on day-to-day issues such as jobs, education, health and insurance protection. Instead, the Local Economic Development (LED) approach responds to the challenges of globalisation by strengthening local stakeholders and working with local institutions to create the economic conditions for generating incomes and producing goods and services that can create the jobs and incomes necessary for local economies to deliver the promises of economic growth and new opportunities.

While development programs often focus on a specific sector, or on supplying a specific input (training, credit, etc.), LED strategies focus on a geographic area and bring local stakeholders together to discuss a plan for developing an area. The stakeholders (business leaders, municipal councilors, government administrators, leaders of educational institutions) take stock of the community’s assets and resources and discuss how to use them to create local employment and income. This can mean exploiting an area’s tourism potential or marketing garden produce to nearby towns and cities. The strategy depends on what the area has to offer and what stakeholders decide. The LED approach generally works through establishing a Local Economic Development Agency (LEDA) that serves as the focal point for activities in the local community.

**Partners and activities**

The LED project in Mozambique is the ILO contribution to a larger, multi-donor effort called Human Development at the Local Level. The latter was funded by the Government of Italy for about 16.6 million (1997-2003) and also involved UNDP and United Nations Office for Project Services (UNOPS). The ILO component has facilitated capacity-building at three levels. At the district level, informal economy workers/micro-entrepreneurs were strengthened through training and technical assistance, as well as the (re-)building of basic infrastructure. At the provincial level, participatory mechanisms were promoted through LEDAs. Three such agencies have been established, involving partnerships with 43 local institutions. Another two agencies are now being set up. The management capacity of 262 local associations and 17 local institutions have been reinforced through training, financial support, equipment provision and legalisation. At the country level, a LEDA National Network has been created to link the agencies. The government has also formed a National Unit of LED Promotion and an Inter-Ministerial Commission, which will work together to coordinate the formulation of a national strategy called the LED Platform. This strategy is expected to be approved by the government’s Council of Ministers in mid-2004.

**Results**

Overall, some 470 permanent jobs and another 1,047 temporary ones have been created. In addition, the income-generating potential of many people was strengthened. In rural areas, project activities have targeted agricultural production. Some 1,500 people have been assisted in the commercial production of honey, 850 people in sunflower cultivation and 400 in tea growing. The promotion of aviculture (poultry) has assisted 400 people. Along with the commercialisation of other agricultural products, an estimated 150,000 people have
improved their livelihoods. This was achieved in part through the institutional reinforcement of local farmers’ organisations.

The project has also been successful in supporting livelihoods of 340 people in the tourism and recreation sectors. This has included the promotion of guest houses, the commercialisation of handicrafts and the training of sports-related trainers. A number of activities have focused on improving the livelihoods of women through vocational training (480 women) and savings and micro credit schemes organised through women’s associations (290 women). A credit fund of €240,000 was set up and managed by LEDAs to support businesses in their areas. In addition, the LEDAs have linked with national and international partners, thus increasing each province’s access to external funding.

Policy impact

The ILO has provided considerable technical expertise and support to the Mozambican government in the process of developing institutional structures and policy strategies. This technical support has now had an impact at the highest levels of government, as the LED approach is being mainstreamed through the mechanisms mentioned above: the National Unit of LED Promotion, the Inter-Ministerial Commission, the LED Platform and the LEDA National Network.

Up-scaling

The ILO and other UN agencies first promoted LED in Central America through social re-integration program for refugees and displaced persons in the late 1980s. Nineteen of the LEDAs established then are still operational. Mozambican stakeholders visited El Salvador and similar activities in Portugal and Italy before setting up their own agencies. The ILO is currently using a local economic development approach in: Angola, Argentina, China, Cuba, Comoros, Croatia, Ghana, Indonesia, Serbia and Montenegro, and South Africa. The ILO is also working on a knowledge and information sharing mechanism to link activities in Africa, Central America and the Caribbean.

Contact
Local Economic Development Program
Cooperative Branch
International Labour Office, Geneva
www.ilo.org/employment/led
Donors: various, see above
Timespan: 1997-2003
Since the early 1980s, African countries have undertaken macro-economic reforms encouraged by the International Monetary Fund and the World Bank. While these reforms were designed to stimulate private investment and growth, they have often had the perverse effect of creating even higher obstacles in market access for the poor. One of the controversial aspects of policy change has been financial sector reform. It is based on the notion that competition in the financial services sector, including entry of new institutions, market-based interest rates and the abolition of directed credit, should increase savings, expand lending and channel funds to more profitable investments.

As the adjustment programmes were implemented, however, it became clear that neither the international financial institutions nor government really understood the ultimate impact of financial policy changes on ordinary producers and consumers. In line with its mandate (Philadelphia Declaration art.2) the ILO has taken a particular interest in questioning the impact of these reforms on the poor. However, the ILO has not been interested merely in understanding that impact, but also in engaging senior policy makers in the process. This was meant to induce a change of mindset of those in charge at central banks and ministries of finance and, through them, to the IMF and the World Bank. As such, the ILO set up a program in the late 1990s called the ‘Impact of Financial Liberalisation on the Poor’ (IFLIP). Funding was provided by the Government of the Netherlands (€4 four million).

The committees decided on the specific issues to be explored and commissioned studies from local – mostly university-based – researchers.
Results

The project produced over 40 studies related to the central topic. One example from each country provides some indication of the range of issues explored and the conclusions reached.

- In Benin, researchers studied the impact of financial reform on the agricultural sector and found that liberalisation itself had no significant impact on the availability of credit to smallholder producers. Instead, macro-economic factors were very important, notably the level of national debt service, political uncertainty and weak economic growth. They found that banks tended to place surplus funds in high-paying treasury and commercial bills instead of increasing their loans to the productive sectors.

- In Ghana, a combined research effort by an academic and officer of the Bank of Ghana focused on gender aspects. It found that liberalisation had strengthened women’s access to credit through the provision of new lending methodologies but that some of the constraints on securing credit still remained.

- In Senegal, the period of financial sector reform has seen the emergence of a duel financial structure with formal banks regulated by the banking law and many non-bank financial institutions operating outside of that law. The poor found it difficult to access credit from the banks because their complex procedures put the illiterate at a disadvantage. In contrast, the non-bank institutions provide much greater access due to their proximity to poor areas, their simplified procedures and their lower guarantee requirements. The study found that there seems to be little interaction, complimentarity or competition between the two structures.

- In Zimbabwe, research by an academic and a member of the Reserve Bank revealed that reforms did improve savings mobilisation and the creation of new savings products. However, high interest rates and the traditional, collateral-based lending methodologies have restricted credit access to small and medium enterprises and the poor.

Policy impact

The project was designed to influence the policy of key national institutions, notably ministries of finance and central banks in the four countries, and to affect the dialogue between these institutions and the IMF and World Bank. While such influence has taken place, it is difficult to assess its full nature and impact.

Up-scaling

To replicate this work in other countries or policy areas requires patience and perseverance. The ILO first encountered some scepticism and resistance when it sought to influence an area of activity that is more generally the responsibility of central banks, ministries of finance and financial economists. As the macro-economic reform agenda has given way to a more poverty-centred orientation in Africa, however, the involvement of other organisations and groups in influencing economic policy has become more relevant.

The project also was careful to not tie itself too closely to one institutional partner. Instead of working through northern based universities, the ILO opted for capacity-building in the South, laying the basis for face-to-face contacts between the supply and demand sides of policy research, i.e. policy-makers and researchers. This allowed for the development of greater research capacity of Africa institutions.

Contact

Social Finance Programme, International Labour Office
www.ilo.org/socialfinance
Donor: The Netherlands
Timespan: 1996-2003
Like other countries in the region, Algeria faces significant problems of unemployment. The percentage of the workforce looking for a job has recently been estimated at 27%. The figure for youth, including many college and university graduates, is much higher. Fully half of those under the age of 20 who are looking for work are jobless. For young people aged 20-24, the situation is only marginally better (46%). The Government of Algeria is doing its best to tackle these problems with a full complement of active labour market policies.

**Partners and activities**

In 1996, it created the Social Development Agency (ADS) with a mandate to address the problems of poverty, unemployment and social exclusion. ADS works closely with the National Unemployment Insurance Fund (CNAC). The major emphasis is on getting young people into employment and providing finance and advice for the unemployed to start their own business or smaller income-generating activities. The programs highlighted below are only part of the active labour market programme that also includes education and training and public employment services (matching work seekers to vacancies).

- **Pre-employment contracts (19-35 year olds)**
  Under this programme, the government works in collaboration with employers by paying the salaries of young graduates for one year on pre-employment contracts. The requirement is that the young person has never previously held a regular job. The rate is equivalent of €70 per month for university graduates and €53 for skilled college graduates. Employers benefit from the energy and knowledge of the graduates, while the latter gain an introduction to the world of work and valuable experience. At the end of the contract, the employer provides a certificate to affirm the work experience. In those situations where employers want to keep the graduates, they can have the contracts renewed for 12 months in the government sector or six months in the private sector. The subsidy is reduced for private sector employers during the prolongation and thus employers start to assume a portion of the wage/salary costs. There are other fiscal advantages for employers which can last up to three years after first taking on a graduate.

- **Enterprise creation (35-50 year olds)**
  To tackle adult unemployment, the government is encouraging the jobless to start businesses. Financing is combined from three sources: CNAC (20-25%), bank loans (no more than 70%) and the new entrepreneur (5-10%). CNAC reviews the capacities of the new entrepreneur, provides advice and counselling on starting a business, and assists with market and feasibility studies. When the project is approved by CNAC, an interest free loan is approved and the dossier is forwarded to a bank for a decision on the remaining credit. For investments of up to the equivalent of €24,000, the investor has to provide five per cent of the total, for those up to €59,000, the investor must provide 8-10%.

- **Micro-credit**
  The government also supports a system of micro-credit for those 18 years of age and older who are unemployed. The interest paid by the borrower is two per cent plus other charges for guarantee and administration. The loans are for one to five years to a total of between €600 and €4,200.
• **Local and labour-intensive employment initiatives**

ADS also manages a number of other programs to create temporary employment by subsidising the wages of workers on local community improvement and large-scale infrastructure projects. The design of the latter is based on labour-based methods, favouring workers over machinery and other capital inputs.

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**Policy impact and Up-scaling**

Algeria is making its best efforts to apply active labour market policies to reduce unemployment. It requires considerable finance and will depend on the ability of employers to take young people into regular positions and the entrepreneurial talent of those starting in business. While still in its formative stages, the experiment in Algeria may be a test case for other parts of Africa.

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**Contact**

Agence de Développement Sociale (ADS)
Email: ads-algerie@voila.fr

Caisse Nationale d’Assurance Chômage
Ministère du Travail de la Sécurité Sociale Alger, Algérie
www.cnac.dz
email: cnac@wissal.dz

**Donor:** Government of Algeria

**Timespan:** current
II. Rights and social protection

"Good social protection systems are important if the benefits from globalisation are to be distributed fairly within countries. It is vital that they reach those in the informal and rural economies, women and other groups that are largely excluded because it is an essential part of any strategy to reduce poverty."

A Fair Globalization: Creating opportunities for all
Report of the World Commission on the Social Dimension of Globalisation, 2004
Wambua Kalumu has no father. To help support his mother and brothers, the boy worked as a domestic helper in the household of a wealthy family. The work prevented him from going to school. If he continued working, his chances of getting a basic education would be lost and with it, the chance of better job opportunities in the future. Wambua is like many boys and girls from poor African families. They can end up in any kind of activity, including domestic service and as helpers in tea-shops and hotels. These latter activities may not reflect our standard image of child labour, which tends to include industrial activities. Service work, however, is the ‘invisible’ side of child labour.

Jacob Munyambu was aware of the problem of child domestic labour in Mwingi District. He has worked as the branch secretary of the Kenya Union of Domestics, Hotels, Educational Institutions, Hospitals and Allied Workers (KUDHEIHA). He asked his colleagues at headquarters to be included in an ILO project on domestic and hotel child labour. When his branch was accepted, Mr. Munyumbu helped establish a Local Child Labour Committee with 12 members, who were drawn from local education officials, the business community, religious organisations and community leaders. They selected a local primary school and, with the use of ILO funds, helped to free children, like Wambua, from domestic and tourism work and give them an education.

Wambua’s family was given money to pay for books, uniforms and other costs. He went to Grade 7 and received money to pay the cost of sitting the exams for the Kenya Certificate of Primary Education. He scored 358 points, the second best result in the school in 2002. He then applied to Kyufu Boys Secondary School and was accepted but could not attend because of the costs. With the help of local leaders, he obtained a bursary and was admitted to another school, Nguni Secondary. He is now in his second year.

In the meantime, the Local Child Labour Committee decided to establish an income-generating project so that when project funding ended, it would have money to support families and students. The committee decided to raise goats and, with seed money, they purchased ten animals. After less than five years, there are now 60 goats, which will be sold to raise money for families and for the improvement of schools.

**Partners activities**

The ILO’s project in Kenya worked with local communities and combined income-generation, with access to education and awareness-raising. In this effort, the ILO has been fortunate to work with KUDHEIHA, given its knowledge of the services sector. The program has also included the Kenya National Union of Teachers (KNUT). Local Child Labour Committees, like the one in Mwingi, have been established in seven districts.

The committees received grants to start income-generating activities for the parents of the working children, as a substitute for their income. These activities take place at primary schools or non-formal education centres and include sheep-rearing, goat-raising, poultry-keeping and selling traditional lesos (clothing). Some parents have started similar activities at home, making use of skills learned through the project.

**Results**

The program has had a significant impact on the communities. The number of child domestic workers has dropped significantly.
By covering the cost of schools uniforms, textbooks and school levies, 300 former child servants returned to school. Nearly 60 older children were also assisted through skills training. These children, half of them girls, were either withdrawn from domestic and hotel work or came form disadvantaged families and probably would have dropped out of school without the program’s support. Attendance rates and academic performance have improved. The schools in the seven districts have a total population of around 5,000 children.

**Policy impact**

In 2001, Kenya passed the Children’s Act, outlawing child labour and mandating free education for all children. The ILO played a key role in the design of this legislation and worked with the government department responsible for children’s issues to mount consultative workshops on the act and its implementation. The ILO supported the activities of children’s rights organisations CLAN and ANPPCAN, both of which played a key role in motivating the government to adopt the legislation. The new law has reinforced the legal and moral grounds for the involvement of trade unions and local committees in reducing child labour. KUDHEIHA is now lobbying local authorities to enact protective by-laws, particularly for allowing entry to private property for the purpose of rescuing child domestic workers. Various groups and the ILO have also supported the establishment of the national Child Labour and Education Task Force. Working within the context of the task force and linking the activities of KNUT to its own strong education component, this project has had a significant impact on the education sector and the recognition of the critical role of education and skills training in combating child labour.

**Up-scaling**

Involving a domestic trade union, KUDHEIHA, to combat child labour has proven effective. The pilot project has been successful in developing a model for wider replication by the government and social partners. With the use of income-generating activities, this locally-based approach can be self-sustaining. The Central Organisation of Trade Unions in Kenya (COTU) is now using union structures to combat the worst forms of child labour. This spin-off activity could have considerable impact on the entire country.

Africa has the highest proportion of working children in the world (29% of those 5-14 years of age) although absolute figures are higher in Asia. The ILO is working in 25 African countries through national and regional programs that target various forms of child labour: children in armed conflict, trafficking in children, children working in agriculture and child domestic labour.

**Contact**

International Programme on Child Labour (IPEC)
www.ilo.org/childlabour

**Donor:** Norway and Netherlands

**Timespan:** 2001-current
The Pygmies are recognised as the first inhabitants of the equatorial forests of central Africa and therefore the rightful inhabitants of the areas that they now occupy. However, the exponential increase in nearby Bantu populations and the exploitation of the forest by commercial logging companies has reduced their living space. More seriously, they are losing, in legal and practical terms, the rights to land and forests resources that they need to survive. The experience of the Pygmies is similar to that of other tribal and indigenous peoples in Cameroon. Bororo pastoralists, in the north and northwest of the country, are confronted by a shortage of pasturage and are increasingly the object of discrimination regarding rights to the use of arable land. The Montagnards of Monts Mandara face similar problems. They have been forced by neighbouring populations to find refuge in the arid mountains in the extreme northern portion of the country. The ILO is assisting the Pygmies – and more recently the Bororo and Montagnards – to gain rights and to develop more secure economic activities.

**Partners and activities**

The ILO’s global activities on indigenous and tribal peoples have been supported since 1993 by the Danish aid agency, DANIDA. A project to assist the Pygmies began in 1999 and has involved their communities and the Government of Cameroon. A recent phase, which also includes the Bororo and Montagnards, has received support from the Government of the Netherlands ($92,000). The Baka Pygmies of the two communities of Cyrie and Mayos in Cameroon have been assisted in organising political representation and economic activities. One of the main achievements of the project has been the formation of an interest group known as the Groupe d’initiative commune Alliance Cyrie-Mayos (GICACIMA). This group has a cooperative structure and is therefore managed by the people themselves.

**Results**

The people of Cyrie and Mayos have been, for the first time, registered as citizens of Cameroon. With the aid of ILO and local officials, the Pygmies has registered their civil status and received identity cards from the government. The pride with which they brandish these cards is evidence of their feelings of belonging and status. It is with such official recognition that they can better defend their fundamental rights to the use of forests and land. While GICACIMA is the key organisation, nine organisational structures have now been established for different groups of people. In addition, a member of the Pygmy community has campaigned in an election and won a seat on a local council composed of other peoples.

GICACIMA has aided the expansion of collective and individual agricultural activities, including the growing of maize. Settled agriculture allows these traditional forest people to diversify their food supply and thereby supplement hunting, gathering and fishing. A food cooperative also been established to allow for the distribution of basic food items. The group is now working to commercialise traditional handicrafts and further develop traditional technologies. In the current phase, Pygmy and Bororo women have been assisted with micro credit in collaboration with a local non-governmental organisation.

**Policy impact**

As a result of the project, the government is designing a national policy for its indige-
nous and tribal peoples. The process will be aided by a comprehensive study on the legal rights of these peoples in Cameroon, which is now being finalised by specialists at the ILO (Egalité unit). The ILO is responsible for the two unique international instruments that relate exclusively to indigenous and tribal peoples. These instruments are the Indigenous and Tribal Populations Convention (1957) and its revised version, the Indigenous and Tribal Peoples Convention, 1989 (No. 169), which has been ratified by 17 countries.

**Up-scaling**

The current phase of the project involves the Bororo and the Montagnards of the Monts Mandara, along with the Pygmies. Other Pygmy groups in Cameroon have asked to work with the ILO after learning about GICACIMA. In addition, neighbouring countries with significant Pygmy populations have expressed an interest in the implementation of similar project activities. These countries include: Congo Brazzaville, DR Congo, Gabon and the Central African Republic.

The ILO has also been working with indigenous and tribal people in Asia, studying and highlighting their socio-economic problems and helping them to organise through cooperatives. This work, concentrated in India and Vietnam, along with the activities in Africa, have allowed for the cross-fertilisation of ideas and approaches.

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**Contacts**

INDISCO
(Interregional Programme to Support Self-Reliance of Indigenous and Tribal Peoples through Cooperatives and Self-Help Organisations)
Cooperative Branch
International Labour Office
www.ILO.org/coop
ILO Sub-Regional Office for Central Africa (Yaoundé, Cameroon)
Email: yaounde@ilo.org

**Donors:** Denmark, Netherlands

**Timespan:** 2000-04
Senegal

Aminata wanted to set up a small trading business in her city of Pikine, a suburb of Dakar. She hoped that the trading activity would provide a little income to support the family and supplement the money earned by her husband, a carpenter. She borrowed CFAF 100,000 (€150) from the Savings and Credit Mutual of Icotaf Boubess (MECIB). As she was about to launch the business, however, she suffered a set-back. As she explained later: “Right at the same time, my son, aged five, was severely affected by malaria and had to be hospitalised for three days. My husband didn’t have money and so I had to use my loan to pay the expenses for his care. This situation severely compromised my project.”

When MECIB set up a health mutual, called MECIB/Prévoyance Santé, Aminata joined immediately. Later, she became pregnant but there were complications and she had to be rushed for emergency care to the Roi Baudoin Health Centre in Guédiawaye. Treatment cost her CFAF 75,000. For this emergency, however, she was covered: the health mutual paid 60% of the costs. Her husband provided the rest. “I was conscious of the fact that my maternity fees were paid for by dozens of anonymous people [of the mutual]. That’s why I invite and encourage members to join the health mutual en masse.”

Formal, national health insurance schemes cover a small minority of people in Africa. When medical crises hit families, they are a major shock to household finances and to attempts to invest savings in family income-generating activities. The need for insurance to guard against such health shocks is widespread.

Partners and activities

MECIB/Prévoyance Santé was the first mutual set up by a micro finance institution in Senegal. MECIB is part of the Union des Mutuelles du Partenariat pour la Mobilisation de l’Epargne et les Crédits au Sénégal, which groups together 28 micro finance institutions in the Dakar region and as far as Mbour. The health mutual is open to the 60,000 members of MECIB.

The ILO provided technical advice and support to establish the health mutual. The main project expenses were minimal and included training sessions, information activities, awareness raising and the development and printing of administrative and financial management tools. The ILO’s International Training Centre in Turin, Italy, worked closely with other ILO staff in Geneva and the field offices to produce these materials and provide training. Many of the costs have been covered by the MECIB’s social fund, with support from the ILO. The running costs of the health mutual (personnel, premises, etc.) are shared between the health mutual, itself, and the micro finance institution.

Results

Since starting in 2003, the health mutual has added about 130 members each month. The main recipients of the health insurance are those operating in the informal economy: micro retailers and other traders, artisans producing local art and households goods and various service enterprises. Each member pays CFAF 200 per month. The insurance covers consultations (general and specialist), hospitalisation, birth and essen-
tial and generic medicines. The use of an existing micro credit institution makes the administration of the health mutual easy and inexpensive. Monthly premiums are obtained automatically from the savings accounts of members. In addition, the funds gathered through the health fund help to securitise (i.e. reduce the risks of) the credit activities of the savings and credit mutual.

**Policy impact**

There is immense promise in providing health insurance in this manner because the infrastructure, consisting of the many micro finance institutions (MFIs) operating in West Africa and the other sub-regions, is already in place. Indeed, recent survey, supported by the ILO, identified about 700 health mutuals in 11 countries in West Africa. MFIs are only one institutional option, however. Health mutuals can be organised by other existing networks of community-based organisations such as cooperatives, women’s associations, trade unions, handicraft associations and farmers’ groups. In all cases, there is a need for health mutuals to be properly supervised and regulated by authorities to ensure that they are financially sound, do not take excessive risk and can balance outflows (payments to beneficiaries) with income (premiums). Parliaments in Mali and Senegal have recently approved specific laws for health mutuals. The ILO is launching a new project to support the eight countries of the Union Economique et Monetaire de l’Afrique de l’Ouest to strengthen and harmonise their legislation in this field.

**Up-scaling**

This has been a pilot project to see how a health mutual could be added to a savings and credit institution. It can be replicated among the network of finance institutions of which MECIB is a member. Indeed, there has been high demand from other Senegalese institutions for assistance from the ILO in this regard.

The ILO is working in a number of Africa countries on similar schemes. For example, in Conotonou, Benin, it has supported a project with the L’Association d’Entraide des Femmes (AssEF). Since 1995, AssEF has supported the socio-economic position of women and helped to develop their capacity to defend practical and strategic interests. AssEF has 30,000 members and includes 240 savings and credit associations. In 2002, with the support of the ILO, AssEF established a health mutual that currently counts 1,700 adherents. It charges a premium of CFAF 400 per month and covers 70% of the costs for a variety of illness or health concerns. In addition, it undertakes preventative activities and awareness raising on topics important to women, including maternal care, gynaecological concerns, malaria, HIV/AIDS and others.

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**Contact**

Strategies and Tool against Social Exclusion and Poverty – STEP
International Labour Office, Geneva

www.ilo.org/step

Donor: Belgium

Timespan: 2003 - present
Decent work is a concept that includes rights, employment generation, social protection and social dialogue. The ILO is working in Ghana to develop a poverty-focused country program that covers all these aspects. While this Ghana Decent Work Pilot Program (DWPP) is still in its initial stages, it will build on several interesting activities already begun by the ILO. Two activities – health insurance and procurement policies – are highlighted here, along with the main features of the DWPP.

**Ghana Social Trust**

The ILO is working closely with the Ministry of Health and the Social Security National Insurance Trust to extend health insurance to the poor. The approach involves strengthening the established formal sector insurance scheme to act as partner, mentor and sponsor to the many small community-based schemes. The formal scheme provides organisational and accounting guidance to the smaller schemes and also subsidises the premiums charged by the community schemes so that the poor can gain access to health insurance. In this way, the ILO and the government are working to harmonise the two systems and thereby support the conclusions of the 2001 International Labour Conference on social security.

To help improve the financial viability of the entire system, the ILO has also provided technical advice including: an assessment of the sustainability of the proposed national insurance scheme; a guide to its implementation; a national health budget model; advice on the structure of the secretariat for the National Health Insurance Council; and a possible risk equalisation formula. This assistance supported the design and passage of the National Health Insurance Act in August 2003. The act creates the legal basis for harmonising the two types of schemes.

To pilot test the concept of premium subsidisation, the ILO worked with the Ministry of Health in Accra and Dangme-West District. Identifying the poor presented a significant problem at first, but the project developed a unique poverty targeting approach. From a workshop with health insurance registrars and local social development workers, it emerged that local administrators knew who the poor were but had difficulty in providing objective reasons for such knowledge. Registrars drew up and verified a list of 7,000 poor people in 1,611 households. The majority of these households are headed by women who are widowed, divorced or married to husbands who have migrated for work. With $60,200 from the Government of the Netherlands, these poor people received a 75 per cent subsidy on the total monthly insurance premium of $1.90. This allowed them to join the community schemes.

Ghana has been a pilot case for the development of a Global Social Trust. The trust, developed by the ILO, would mobilise international funds to support the extension of social protection in developing countries. People in richer countries are asked to contribute a modest amount (say, €5 per month) to the global trust which would be channelled to national trusts and be used for activities such as premium subsidisation for the poor.

**Employment-friendly procurement policies**

The ILO considers procurement for public investments (roads, buildings, etc.) to be more than the purchase of goods and services. It can also be a tool for promoting employment creation, decent work and poverty reduction. For this reason, the ILO assisted the World Bank and the Government of Ghana on the preparation for the Country
Procurement Assessment Report (CPAR). ILO input into the review suggested that more could be done to apply employment friendly methods to the construction and maintenance of the country’s infrastructure. In Ghana, as in most developing countries, procurement procedures state that national laws – including labour laws – are fully applicable. In practice, however, health and safety measures are often not taken into account and the required employment benefits are not provided to temporary and casual workers.

The ILO’s principal recommendations for the report included:

- use of clauses in all construction contracts requiring adherence to national labour standards;
- need for a clear policy and implementation strategy on using labour-based (employment-creating) methods on all public construction investments where feasible;
- development of a system to monitor compliance to the strategy, measure impact on target groups, and facilitate the review and adoption of policies, laws and strategies.

Working with the World Bank was important because large infrastructure projects in Ghana (and elsewhere in Africa) often cost hundreds of millions of dollars and are financed by the Bank and similar agencies. The ILO’s contribution was well received by the other partners, notably on how to apply and monitor labour standards in construction contracts. The ILO recommendations were incorporated into a National Action Plan. World Bank has expressed great interested in ILO participation in similar review exercises in other countries and will push for the systematic inclusion of social aspects (labour standards and employment) in the terms of reference of other procurement reviews.

The Ghana Poverty Reduction Strategy has been adopted by the government to provide a broad framework for assisting the 40 per cent of Ghanaians who are poor. The strategy is to be implemented in a decentralised fashion in 110 districts with district assemblies having major responsibilities for poverty reduction. However, these assemblies and local governments are not sufficiently equipped to meet this challenge. To assist them, the ILO’s Decent Work Pilot Programme is using a local economic and social development approach as a framework for dialogue, formulation and implementation of decent work and poverty reduction strategies at the district level. Two districts have been chosen for a pilot phase and both assemblies have established a ‘Sub-Committee for Productive and Gainful Employment’. Each sub-committee is comprised of elected assembly members and representatives from small business and civil society. The sub-committees will draw on 12 ILO units for expertise on: organisation, representation and social dialogue; micro and small enterprise development; linking micro health insurance to savings schemes; improving productivity through better occupational health and safety; private-public partnerships in infrastructure development, procurement and provision of services; the protection of vulnerable groups; and embedding rights in an enabling legal and institutional environment. Activities will focus on the informal economy.

In these activities and the development of a decent work approach to poverty reduction, the ILO is working closely with the Ministry of Manpower Development and Employment, the Trade Union Congress and the Ghana Employers’ Association.

Contacts
Financial, Actuarial and Statistical Services Branch, Social Protection Sector, ILO
www.ilo.org/protection/socfas (social trust)
National Policy Group, Policy Integration Department, ILO, www.ilo.org/integration (DWPP)
Donors: various (Netherlands, etc ...)
Timespan: 2001 - current
In much of Africa, the poor have little connection with the banking system. Minimum deposit levels have barred access to formal savings accounts. Meanwhile, most banks have been unwilling to provide credit, citing riskiness and the high transactions costs of administering small loans. These barriers have limited the capacity of the poor to save for productive investment or to provide security against emergencies, illness and old age. At the same time they have been unable to gain financing to expand supply and product inventories, meet working capital constraints and invest in equipment for small farms and enterprises.

Instead, the poor have relied on indigenous financial ‘institutions’ and other semi and more formalised institutions. These forms have been augmented in recent years with the expansion of microfinance programs, projects and institutions. The growth of all such microfinance institutions (MFI) has occurred in most countries without a proper regulatory environment. There is a problem, particularly with institutions that collect savings, as their collapse, due to mismanagement, overly risky lending and corporate malfeasance, can wipe out the savings of the poor and vulnerable. The collapse of one or more institutions can additionally cause localised or broader panic among deposits and cause runs on these institutions, hampering the viability of institutions and reducing the savings available to lending.

**Partners and activities**

The regulation of financial institutions has been the preserve of the central bank, and while the central banks across the continent have been concerned with the growth of MFIs, many have been slow to adapt or to regulate. In many cases, credit programs have been unable, under existing regulations, to take savings, limiting their capacity to raise funds for on-lending and weaning them from donor funding. In the early 1990s, the ILO began working on microfinance issues with the Banque Centrale des Etats de l’Afrique de l’Ouest (BCEAO), which manages the CFA franc used in seven countries. While donors, NGOs and others were busy channelling funds to and developing microfinance programs and institutions, the bank and the ILO were working on the then-radical idea of providing a regulatory framework. The idea was to integrate MFIs into the formal financial structure and to reduce the risks and improve the performance of microfinance to small savers and borrowers. The effort culminated in 1996 in a new law, called PARMEC, which was the first central bank directive in the world to regulate deposit-taking MFIs. The law required all deposit-taking microfinance institutions to register, get a licence and report to the monetary authorities; the smaller ones annually, the larger ones more frequently.

The law further stipulated norms for portfolio diversification (to spread risk), put ceilings on insider lending (i.e. to officers of the institution) and establish a firm ratio between deposits collected and loans allocated. The law is enforced in each country in tandem by the minister of finance (microfinance unit) and the national office of the BCEAO. In addition to the law, the BCEAO created its own micro-finance department with six positions funded by its own resources.

**Results**

The impact of the law and the bank’s other efforts are hard to gauge and have no doubt been reinforced by the actions of national
governments, donors and others. Nonetheless, the best proof of the stabilising effect of the law is that over the past 10 years, in the two or three instances when a microfinance network came under pressure because of client insolvencies or fraud, the problem was quickly detected and resolved. At the same time, the total number of institutions in the seven countries has risen from 125 to 624 between the enactment of the new law and 2003. Over the same period, the number of clients (creditors and savers) has grown from under one million to 3.8 million. Moreover, the confidence that people have in these institutions is indicated a rise of deposits from CFAF 30 billion to 204 billion.

The collaboration of BCEAO and ILO also resulted in the establishment of the first database on MFIs covering nearly 90% of the institutions in the countries. A capacity building component has provided training of trainers to microfinance organisations which focuses on strengthening the capacity of MFIs.

**Up-scaling**

Work is now on-going with the Southern Africa Development Community. The nature of activities is different because there are 15 individual central banks, each taking its own approach to MFIs. However, microfinance focal points were established in the central banks of South African Development Community (SADC) member states. The ILO has helped to train these officials on microfinance issues. Surveys of the sector in each of the countries have been conducted and efforts are being made to collect comparative data on a regular basis to monitor and develop policies and regulations. The long-term plan is to establish a SADC Microfinance Observatory.

Contact
Social Finance Program, International Labour Office
www.ilo.org/socialfinance
**Donor:** Germany, Norway
**Timespan:** 1991-2001

3 Angola, DR Congo, Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe.
Poverty elimination is impossible unless the economy generates opportunities for investment, entrepreneurship, job creation and sustainable livelihoods.

"Working out of Poverty"
Report of the Director General, ILO
ILC 2003
Rassan was finding it difficult to increase profits. His maize milling business was well established in the western Uganda town of Fort Portal and he had contracts with local schools and governments departments. His profit margins were low, however, and his business generated little surplus capital for investment. He suspected his employees were cheating him and also that the high charges for electricity were inflating his cost structure.

He was invited to attend a training program in milling techniques and maintenance. The training was supported by the Master Craftsman Program, a United Nations Industrial Development Organisation (UNIDO) effort, which uses experienced craftsman and entrepreneurs to provide training to others. Rassan considered the cost of the training, €30, a little expensive but he decided to try it. At the same time, he also made the wise decision to offer his mill for practical aspects of the training. This way the instructor could analyse his operations and offer suggestions.

The instructor quickly realised that the open set-up of milling equipment generated substantial maize dust that was coating the floor, ceiling and walls but was not ending up in the bags being sold. Rassan had considered the dust an annoying but normal and tolerable aspect of milling maize. Together they estimated that he was losing eight kilograms of every 100 kilograms milled. Milling 30 bags per day, he was losing about €90 daily in lost maize. He modified his milling equipment and reduced the loss to one per cent. He has used the savings to purchase a rice huller and thereby add a new service to his business.

The UNIDO program is an effort to tackle two problems and one misconception regarding support for entrepreneurship among micro and small enterprise. One problem is that donor-funded programs for business development services are often not sustainable. The program ends when the project is completed and the funds dry up. The second problem is that support to entrepreneurs often focuses too narrowly on business aspects and avoids technical issues relevant to a sector or sub-sector. The misconception is that the growth of micro and small enterprises is hampered principally by a lack of finance.

The UNIDO program, supported by the Japanese government, has dealt with these three matters by involving local skilled craftsmen/entrepreneurs in a program in which other businesses pay for their services. To ground the program in local institutions, UNIDO worked with three business associations: Uganda Small Scale Industry Association, Northern Uganda Manufacturers’ Association and Uganda Gatsby Trust. These organisations were eager to establish sustainable advisory services, a culture of innovation, better use of existing (human) resources and less dependence on cash inputs. Skilled entrepreneurs, who were members of these organisations, were trained in how to give instruction to others and to think of and manage that instruction as a main or side business. Currently there are about 75 Master Craftsman Program (MCP) advisors operating in six districts, who have provided assistance to about 2,000 micro and small enterprises. The assistance and training is provided on a full cost-recovery basis, which allows for financial sustainability.
Training can be provided on a group basis to many entrepreneurs at once but it, along with advice, can also be delivered on through one-on-one sessions at the place of business. Among other services is the training of instructors from local vocational schools and the training of orphans. MCP advisors hold monthly District Management Committee meetings to exchange experiences. ‘Lessons learnt’ are used to continuously improve the program.

**Results**

MCP advisors have been able to show that in many cases a lack of money is not the major source of problems. A preliminary assessment of the impact of the program on 160 micro and small enterprises has showed strong, positive results. In 35% of the cases, productivity increased by over 100% – in some of these enterprises the increase was over 200%. This was often due to waste reduction, which averaged 70% in milling, 60% in the carpentry and 33% in textiles. The full impact on generating employment for expanding businesses and improving the incomes of workers has not yet been specifically examined.

An additional example may demonstrate the impact on sales and enterprise revenue: Alfred is a dynamic young businessman, who runs a carpentry shop in Mubende, 200 kilometres west of Kampala. His main problem has not been costs but low sales; he simply does not have enough customers. He attended a carpentry workshop then asked the MCP advisor to visit and examine his workshop and his work. The advisor realised the quality of work was too low and he spent two weeks at the workshop providing training on improved techniques for product design, material selection, surface preparation, joints and other aspects. With improved quality, Alfred has been able to increase sales five-fold, in part by charging more for the higher quality work. Prices have risen on average by 20-30%, although the price of one important product has tripled. He has managed to attract orders from a coffee factory that had been buying furniture from the capital. He paid €16 for the training and is seeking more.

**Up-scaling**

As the activities become sustainable in existing areas, program start-up activities are being moved to nine new districts on the request of the Uganda Small Scale Industry Association. Efforts will be made to expand to the north of the country as the security situation permits. There will also be an increased emphasis on women entrepreneurs. There is no reason why this business-to-business approach cannot be used elsewhere in Africa to increase productivity and the viability of micro and small businesses.

*N.B. Real names not used.*

**Contact**

United Nations Industrial Development Organization (UNIDO)
www.unido.org
Donor: Japan
Timespan: current
In 1995, Mrs Olive Wanjiru Wainaina was working as a secretary in the port city of Mombassa when she decided to move. Family pressure required that she return to Nairobi and take possession of plot of land measuring 30 x 30 metres. Nairobi is constantly expanding due to migration from rural areas so Olive decided to build a one-room structure which she could rent out to tenants. She borrowed 20,000 Kenyan shillings (€200) from K-REP, a microfinance institution, purchased wood and several sheets of corrugated iron and set up the building.

She repaid the loan and six months later borrowed Ksh 20,000 shillings to construct another room. When she got her third loan, for Ksh 80,000, she demolished one of the iron-sheet rooms and re-built it with concrete. She has now borrowed 10 times from K-REP and built 12 concrete rooms, which she continues to rent out. Her latest loan, in December 2003, was for Ksh 380,000. Her husband left his job and now works with her.

This is not only a story about a successful female entrepreneur. It is also – and maybe even more so – a story about K-REP. When Mrs. Olive started borrowing, K-REP was a microfinance NGO, which was set up in 1984 as a donor-funded project. It provided relatively small loans. However, dynamic African entrepreneurs, like Olive, often find it difficult to borrow the right amount of money. Loans from microfinance institutions are too small and those from banks are too large and require collateral. While maintaining its small loan activities, K-REP moved with its customers and transformed itself into a proper bank in 1999.

**Partners and activities**

To make the transformation, K-REP received technical advice and investment capital from multilateral donors and financial institutions. K-REP Group Ltd. remains the largest shareholder with 28.8% of equity. International Finance Corporation, a member of the World Bank Group, invested $ 1 million and now has a 16.7% stake. Other investors include the African Development Bank (15.1%), Netherlands Development Finance Company, two community-oriented, foreign banks and a local cooperative. K-REP and its donor-investors agreed on a plan to upgrade to a bank based on the idea that the K-REP needed to adapt its structures and services to the growth of the micro and small enterprise sector, which still serving its low-income clients. As a bank, it could start to collect deposits, which would replace the concessional finance it had received from donors and make it more independent. Most of the investors it has chosen will reduce their equity as the bank develops. The donors also encouraged the creation of K-REP Advisory Services, to provide business advisory services on a commercial basis. K-REP Development Agency was also established to develop new and innovative approaches to finance and development.

K-REP Bank continues to provide micro-credit to the poor through the group-based approach. These loans are provided to self-help groups with 25-30 members that must be registered with the government. Maturity varies from three to six months. For medium-sized business, K-REP provides one-year loans to groups of five to 10 members. In addition, wholesale loans are provided to savings and credit cooperatives and registered associations who on-lend to their members. The bank is now collaborating with a phone company to provide loans to people to set up a phone service on a commercial basis. K-REP has also arranged with a health insurer to provide loans for the purchase of health insurance. It
has several other credit schemes, as well. At the end of 2003, the bank had a total of 45,000 active borrowers through its various schemes. In addition, the bank now offers savings accounts, some with a minimum balance as low as Ksh 5,000 (€50). It has 62,000 savers, with total savings of Ksh 1,179 million.

The bank has engaged well qualified finance professionals, maintains three branches, including headquarters, and operates 25 marketing offices. It made an operating profit of Ksh 79.6 million in 2003.

Policy impact

K-REP and its donor-investors needed to educate financial regulators on the benefits of transforming a finance NGO into a bank. The efforts of K-REP have resulted in a bill being introduced before parliament to create a special category for licensing microfinance institutions by the central bank.

Up-scaling

K-REP received technical support and substantial investment capital from donors and investors. That support would need to be forthcoming for other microfinance institutions to make a similar transformation. While K-REP was the first to make the change in Africa, microfinance institutions on other continents have also been transformed. Through its consulting arm, K-REP Advisory Services, the bank group provides advisory services to other finance organisations in Africa. Current activities are taking place in Somaliland, Tanzania and Ghana.

Contact
K-REP Bank, www.k-repbank.com
African Development Bank, www.afdb.org
Donor: various investors
Timespan: 1999 - current
Over the past decade, Uganda has experienced an unprecedented information revolution. This revolution is not computer or internet based, but is being driven by the commercial FM radio industry which was liberalised in 1993. Uganda now has 64 radio stations broadcasting in over 25 local languages. With 63% of households owning a radio, a majority of people are now linked into the mainstream information channel for the first time in the country’s history.

The ILO recognised the opportunities offered by this revolution and sought to use it to support the policy environment, provide advice and offer information for micro and small enterprises. In 1999, it began to encourage private radio stations to report on small business issues, thus providing a platform for debate and establishing a channel through which the informal business sector could lobby and advocate for change.

Results and impact on policy

The small business programs are a mix of investigative reporting, interviews, live debate and phone-ins that create, among other things, a strong platform for debate and analysis about policy issues affecting the micro and small business economy. For example, in early 2000 the Ugandan government announced that it was banning the small-scale vending of milk. Nekolera Gyange, a small business radio program in central Uganda, investigated the issue on behalf of the thousands of milk traders, transporters and dairy farmers who would lose their livelihoods as a result of the ban. Due to the media coverage and a consequent public outcry, the government embarked on a plan to regulate and improve safety standards thus ensuring public health, allowing the vendors to stay in business and saving thousands of jobs.

While the radio programs have questioned government policy on behalf of small businesses, they have also helped the government to implement policies. For example, a ban on fish being imported into the European Union from Lake Victoria, which resulted from poor fish livestock and environmental management and poor fishing and processing practices, caused considerable hardship for hundreds of fishing communities along the shores. The Ugandan government embarked on a policy of tightening up and enforcing fishing regulations as a step towards lifting the ban, but this move was construed by the fishermen as an additional hardship for the suffering communi-
ties. The issue was taken up by the small business radio programs that gave both the fishermen and the government a platform to present and discuss the problems and propose solutions. The program had a significant effect on breaking down divisions between the two sides.

One of the radio programs has helped to reduce corruption and illegal activity in the collection of taxes. A segment was dedicated to taxation issues for small businesses and included a phone-in segment in which listeners could address a official from the Uganda Revenue Authority. He received an unexpectedly high number of complaints from business owners. As he explained later,

*During the program where I participated, I received many calls of SEs [small enterprises] about tax officials harassing traders. I raised the issues at the Uganda Revenue Authority and harassing has stopped. Imposters have also been checked. Taxpayers were told to call the police if an URA officer asks for cash payment of tax rather than a cheque.*

Along with policy issues, the programs offer insights into enterprise management and the benefits of using business development services. While some of these services, such as finance and training, may be offered by governments, NGOs or donors, there are also many small private businesses that offer them.

In this way, the programs are both an example of, and a means to promote, what is known as the *new paradigm* in business development services (BDS). The approach, supported by a number of donors, seeks to upgrade whole service delivery systems. It contrasts with the more traditional format, which involves the subsidy of services provided directly to a fortunate few ‘beneficiaries’. In this case, the network of radio stations becomes a self-sustaining means of service delivery, rather than a convenient channel through which to broadcast a pre-determined message. Private businesses buy services from other businesses – advertisers purchase airtime or an enterprise owner, after hearing a radio segment, realises the need to purchase the services of an accountant, a technology consultant, a skills trainer, etc.

**Up-scaling**

The approach has considerable potential for replication in other African countries, notably those with a liberalised media market. The activity has been replicated in Ghana with six radio stations using the format. Similar possibilities are being explored in Tanzania and Zambia. Radio is currently a suitable medium in many African countries because of broad reach but the format can be adapted for other media, such as television and videos. The ILO is exploring these possibilities in the Mekong Region of southeast Asia.

**Contact**
ILO Area Office, Dar es Salaam
ILO FIT SEMA Office (Small enterprise media in Africa)
www.bdsknowledge.org

**Donors:** United Kingdom, Netherlands, Sweden

**Timespan:** 1999 - current
Tanzania Printers faced a typical small enterprise dilemma. The local printing company wanted to upgrade its printing production process to gain high-value business with large companies, including the subsidiaries of multinationals. Making the heavy investment involved substantial risk, however. Even with the new equipment, there was no guarantee that it had the expertise to win the contracts needed to pay its investment.

Tanzania Breweries also had a dilemma, one which it shared with other multinationals that have branch plants in Africa. It had difficulty sourcing high quality supplies locally. In this case, the brewer needed labels for beer bottles and other beverages. Existing companies could not meet global quality and cost standards and sourcing from South Africa was costly and time-consuming. This dual-dilemma faced simultaneously by small and large companies helps to explain the ‘missing middle’ of the industrial structure in Africa. Large foreign companies invest but source off-shore (or at least out of country) while indigenous enterprises stay small due to low productivity and low quality.

The two companies therefore begun working together to overcome their respective dilemmas, and through a promising new collaboration between mostly foreign-owned companies and the local private sector, called the ‘Private sector initiative’ or Psi, the idea is to bring together large and small companies to jointly build the supplier base.

Tanzania Breweries agreed to include the printer in their supplier development program. Following considerable consultation on quality issues, the printer invested about US$ 2.5 million in its operation with an understanding that if it could meet price and quality standards, it would secure future orders from the brewer. In addition, Tanzania Printers employed a South African printing lab technician – sourced by Tanzania Breweries – to assist for six months in designing labels for beverage bottles and to establish high-quality processes for metallic printing (on cans). The approach requires that the supplier opens its accounting books to the buyer so as to be able to discuss together how to keep costs down and yet allow for adequate profit.

**Partners and activities**

Psi is organised by Small Business Project (SBP), a South African business development and research unit involved with similar activity in its home country. The role of SBP is to act as facilitator and technical support agency to monitor and evaluate the process and capture and share good practices. Psi in Tanzania has received funding from the British government and will become self-sustaining after two years. Indeed the idea is that the SBP works itself out of a job. The project has received the strong backing of the Tanzanian government which initiated economic liberalisation in 1985 and has been particularly successful in attracting foreign investment since the mid-1990s.

What is needed is the involvement of large enterprises keen to develop the local supplier base. This is not a charitable activity or a showy display of corporate social responsibility but part of a long-sighted business strategy. In Tanzania, it involves eight large companies: BP Tanzania, Kahama Mining, Kilombero Sugar, National Micro Finance Bank, Sumaria Group, Tanga Cement, Tanzania Cigarette Company and Tanzania Breweries. Their chief executives are part of the Psi steering group and their involvement is critical for providing support at the highest level. This support and direction is provided
to the Working Group, which is more operational and consists of technical directors and senior buyers who make the actual sourcing decisions.

Results

A shared supplier database has been created with 506 small and medium enterprises registered. SBP has provided a format for evaluating and accrediting these small firms for inclusion in the database and while large firms often have their own accreditation systems, the SBP format supplements this. Large companies may recommend for inclusion those small enterprises with which it has had a successful subcontracting relationship. The database also enables large companies to select suitable candidates for joint technological upgrading efforts, such as in the case of the brewer and the printer, noted above. At the end of SBP’s involvement, the database will be turned over and managed by a local business service provider and become web-based.

The large companies that are participating will not accept poor quality and higher costs just because a small enterprise is on the database and therefore part of Psi. Small enterprises are not guaranteed contracts. In essence, each small enterprise needs to constantly maintain quality, keep costs low and maximise productivity to participate – but Psi does give them the opportunity to work with the large companies to achieve those standards. Psi has also helped large companies to design and use ‘spend maps’, which track the extent of spending going to local enterprises. This can be used to set targets for local sourcing. Psi also conducted a quick survey of local business development service providers to pinpoint areas where this market is weak for small businesses. The lack of adequate support services to improve technology and productivity can often constrain the efforts of small firms to move up the value chain.

Policy impact

An additional – and unexpected – benefit of the program is that the large companies, with help from SBP, have become aware of the policy and regulatory obstacles that smaller businesses face on a day-to-day basis. Furthermore, the large companies, as a powerful lobby group, have been able to convey these problems to senior government policy makers and to get changes made. The potential for large businesses to lobby on behalf of small businesses on the basis of real and practical experience is clearly something worthy of replication and a key systemic benefit of the Psi.

Up-scaling

The Tanzania program is a replication of similar effort in South Africa. There is no reason why it cannot be developed in other countries with foreign direct investment but a weak supplier base. The SBP has gained experience and might be encouraged to expand its activities. It is critical, however, that the program has the support of managing directors and other senior executives from the foreign subsidiaries. Without that support, there is much less chance of changing sourcing habits and working with local firms to improve quality.

Contact

Small Business Project (SBP), Johannesburg, South Africa
email: corin@sbp.org.za
www.sbp.org.za
Donors: United Kingdom
Timespan: 2002 - current
I am a Tanzanian youth, aged 30, who used to be jobless. I used to sit at the jobless point and took weed [marijuana, etc.]. Our area had no waste collection service. We were mobilised in 2001 to form a waste collecting group. We got support from CARE, ILO and the Kinondoni Municipal Council. We started being busy and earning something. I stopped completely to take the weed. We also started sorting valuable waste and selling it, getting some more money. Our group is now registered and we have a contract with the KMC.

Muhidin Mtengereka, Wamkutu waste collection group

Mr. Mtengereka is one of over 2,000 people, mostly women and young people, who have been part of an innovative public-private partnership, centred in Dar es Salaam, to create employment and improve municipal services. It has been designed to tackle a number of problems common to African cities. Public services in poor, unplanned urban settlements are erratic and unreliable at best and more commonly non-existent. Solid waste is a widespread problem, ending up in makeshift dump sites or piling up near households. It is not only an eyesore but also a health concern. At the same time, urban unemployment, driven by migration, public sector downsizing and slow formal sector growth, is a social concern if not a personal tragedy.

Partners and activities

The ILO, working within a broader UNDP urban development program, sought to target both problems by mobilising unemployed people to collect and, where possible, recycle the waste. A public-private partnership (PPP) was developed in which waste collection is franchised to local collectors. They bid for the franchise from the municipal council. The group that wins a franchise has the right to collect waste in a particular part of the city and is paid directly by households. This reduces the waste management costs for cash-strapped municipal councils and ensures good service as collectors have a direct payment relationship with residents. Waste collection groups have been formed as community-based organisations, NGOs or small enterprises. In Dar es Salaam, there are now 52 franchisees.

Results

Begun in 1998, the program generates employment in the capital and four up-country municipalities for women, who make up 60% of the workers, and for men. Daily waste deposits at two central dump sites in the capital have increased substantially from about 360 tonnes to more than 650 tonnes over a four-year period.

The jobs created have been taken up by poor and vulnerable people. Half of the women involved are divorced, widowed or separated. Some 70% of them have dependents and a similar proportion do not have a secondary education. For two-thirds of the women, waste collection is the first job they have ever had and 92% of respondents said that it was ‘the only job I could find’. In total, 98% of respondents considered themselves poor. The story of one poor woman provides a glimpse of the struggle to find work and the benefits that have arisen from the franchising approach:

I was retrenched from my formal job as a clerk. I had nothing and no husband to care for me as we were separated and I had four children. Together with other women we mobilised each other and formed a group with 20 members. We tried to do tailoring...
but it was not viable. We made buns and sold them, did some other catering services, but all were not viable. We did not have big capital to start a better business like selling second-hand clothes. We looked around and there was garbage everywhere and rampant cholera cases. We noted boys collecting waste but insufficiently and getting money. So we asked ourselves, ‘if these boys are earning a living from waste, why can’t we?’ So we started a solid waste collection group in our area. We did it ourselves.

Ms Mwanaidi Msosa
Kisutu Women Development Trust

The results have affected the behaviour of residents as well. There is less dumping of waste by households along streets and a greater use of bags and bins to store waste before collection.

Waste collection can be an unsanitary activity so municipalities and the ILO have been concerned that the work be decent from a safety and health perspective. Assistance has been received to provide protective clothing to groups, along with instruction in the handling and proper deposit of more hazardous waste. Because groups are paid directly by households, the incomes earned have been monitored. When the new system was introduced, residents were unsure of the regularity of the service and their need to pay. The ILO, waste collection groups and the municipal authorities worked together to educate residents. The residents have now accepted the system and with a reliable service which provides value for money their payments have become more regular.

Up-scaling

A number of concerns remain: need for a national policy framework; organisation of transport from transfer points to properly maintained disposal sites; access to credit and equipment for franchisees; and the development of protective gear appropriate to a tropical climate. A new East African project phase, expected to create 4,000 jobs, is addressing these concerns. The new phase will include expansion within Tanzania and to Kenya and Uganda. This is occurring, in part, because people in other municipalities have seen or heard about the improvements in the cleanliness of the urban environment and have asked that the system be replicated in their areas.

While the activities have focused on waste, the new phase is looking at other services, notably, road improvement, water supply, other aspects of sanitation, open spaces improvement, other infrastructure improvements, etc. In these cases, the same goals apply: creating employment for the poor while improving the living conditions and health of poor urban residents.
Entrepreneurs in the governorates of Beni Suef, Qena and Sohag faced many of the financing problems common to Africa. Being poor, they could not provide the collateral required to secure loans from local banks. In addition, the procedures for applying for credit appeared overly complex and sometimes required documentation that the entrepreneurs did not possess. In many parts of the developing world, these problems are circumvented by establishing micro-credit schemes. In Upper Egypt, micro-credit was provided but a different approach was used. Small and medium enterprises (SME) were assisted in forming a cooperative association through which they could approach the banks to discuss an easing of borrowing constraints.

The cooperative association was developed by the Social Development Fund (SDF), a government body which supports development activities throughout the country. The SDF also provided credit to the banks for on-lending to entrepreneurs. The cooperation allowed for a significant flow of new credit to small and medium enterprises.

**Partners and activities**

The work of the SDF was part of a collaboration with the Canadian International Development Agency (CIDA) to support the development of SMEs in Upper and Middle Egypt. Grant funds for the project amounted to about €7 million from CIDA, while a credit line from the SDF provided about €8 million for on-lending through banks. Many of the project activities were executed by the Foundation for International Training, an experienced non-governmental organisation from Canada.

Small business development centres were established in the three governorates so that project organisers could be close to communities, understand local needs and implement activities in a flexible manner. The project also relied on human resources from the community to ensure that people accepted and supported the activities. This began with a ‘head hunting’ strategy in which key leaders in the community were identified and were told of the importance and raison d’être of the project. These leaders were then able to give the project broader support through their networks.

In addition to credit, a major emphasis is placed on skills and business training. Many people in these poor areas had never had the chance to learn a specific trade or profession. In this regard, the project also drew on local human resources. Retired but skilled people with knowledge of business and a vocational trade were involved in the training of younger people. In addition, many potential entrepreneurs were women and they not only lacked skills but also the confidence to take up business. Indeed, the project sought to maximise the participation by women by organising an awareness campaign to encourage them to undertake entrepreneurial activity.

**Results**

As a result of the above efforts, about 1,500 new businesses were established and 5,700 new jobs created. Slightly less than half of the new workers and new entrepreneurs were women. While many small enterprise projects focus on trading activities, in this case a full 30 per cent of the businesses were engaged in industrial production. The close relationship developed with the banks and the unique financing instrument ensured that borrowers honoured their loan commitments. Indeed, the percentage of non-performing loans was only 1.8 per cent and 98 per cent of loans were repaid on schedule.
**Policy impact**

The project influenced the formulation of a draft law on small and medium enterprises and the development of a national marketing campaign to support the SME sector. A high council of SMEs was established to represent the sector and advocate for appropriate policy reforms and support programs.

**Up-scaling**

The success of the project was based on good management, the use of highly skilled human resources and a decentralised structure in which project executors were close to the people they were seeking to assist. Close cooperation and agreement on the approach of the project between SDF and CIDA allowed for maximum positive collaboration. CIDA is concluding its support and the business centres have developed strategies for providing business development services on a fee-paying basis with a view to becoming financial self-sustaining. The SDF is currently expanding the project to a fourth governorate and other areas may be included in the future. The project’s approach – working with the banking system, involving community elders and working with skilled, retired craft- and business persons – can be used as a model for other parts of Africa.

**Contacts**

Social Development Fund  
www.sfdegypt.org/index_e.asp

Embassy of Canada, Egypt  

Foundation for International Training  
www.ffit.org

Donors: Canada, Egypt

Timespan: 1996-2004
The road that joins the towns of Ambano and Vinaniony is getting busier. More cars are using it now, but the real change has been in truck travel. Heavy trucks, those that can carry 10 tonnes or more, have increased their use threefold. The truckers use it because it is a good quality road that makes their journeys quicker and minimises the wear on their vehicles. In fact, the cost of transport has decreased by over 50% since the road was rehabilitated.

Rehabilitating a road in Africa can have an important impact on the local economy. Finished goods, livestock, produce, inputs, people: everything moves faster. Markets work better and towns and rural areas become more connected to regional and national economies. But the road between Ambano and Vinaniony is not just any rehabilitated road. Many of the people who built the road live in these two towns and many of the businesses that were contracted to build the road and hired local people were also from these towns. The wages earned by local people go into bettering their welfare and stimulating local demand.

Roads are not the only thing that the people and businesses in many areas of Madagascar have built for themselves. They have also built primary schools to educate their children and they have improved the quality of life in poor urban settlements through better housing and sanitation.

*Partners*

This infrastructure developed is part of the HIMO project (*haute intensité de main œuvre*). Funded by the Norwegian government (US$ 14 million) and with technical assistance from the ILO, the program has support from several key ministries including transport and public works and education, as well as the Ministry of the Interior, which is responsible for decentralisation and the development of the regions and the communes. The Association of Mayors of Grand TANA, municipalities, communes and local communities themselves are also involved. Much of the work involves training policymakers to use labour-intensive methods and the HIMO Centre is a key institution for much of the activity.

*Results: employment and less expensive infrastructure*

Labour-intensive methods are based on the idea that infrastructure can create temporary and long-term employment. Comparisons done by the ILO in real situations has shown that on average four times more employment is created with labour-based methods compared with traditional, capital-based approaches. Impact studies suggest that the work created is being taken up by the poor and disadvantaged members of the community. On average, 74% of the wages are used for the purchase of food, 13% to purchase animals or seeds, and the rest for hiring farm labour and for funeral expenses.

Labour-based methods are also more cost effective. Wage costs, relative to machinery and related capital inputs, is relatively low in developing countries, making labour-based methods much cheaper. ILO analysis indicates that a road constructed with labour-based methods is 20-30% cheaper than those constructed through conventional methods, without compromising road quality. This means that more kilometres of roads can be built with donor funding or scarce government finances. Finally, the machinery used in traditional methods is
often complex and built in rich countries, so it must be imported, using up vital foreign exchange. The ILO estimates that labour-based methods use 40% less foreign exchange.

Over a period of three years, the HIMO Centre provided training on labour-based road work to 122 study groups, 441 enterprises (on labour-based techniques), 129 enterprises (on management), over 230 directors of worksites and work teams, 33 commune representatives and others. Support and training was also provided to 30 communes to manage a collective maintenance program for 242 km of rural roads. The centre provided training and support to 90 groups of parents for the maintenance of schools, to 286 urban-based NGOs, to over 100 enterprises involved in the construction of 90 schools and to many others.

**Policy impact**

The HIMO effort in Madagascar is widespread, touching roads, schools and urban areas. With the involvement of several key ministries, the approach is firmly taking hold within the government. Policymakers are effectively changing their attitudes toward infrastructure projects in favour of labour-intensive methods. In addition, the HIMO initiative is based on the idea that the work created should be decent.

Thus, the ILO is working with government ministries to ensure that contracts awarded to local enterprises include a clause requiring the company to ensure conditions of decent work. This means specifying that companies: pay at least the minimum wage, provide accident insurance, ban the use of child labour, and follow a policy of non-discrimination, notably equal access to jobs and ‘equal pay for work of equal value’ for women and men.

**Up-scaling**

The World Bank has decided to use a labour-intensive approach for a US $20 million component of the Transport Sector Programme, which will create 6.4 million work days of employment (instead of 1.6 million under capital-intensive methods). The approach is being adopted by the bilateral donors in their infrastructure projects. The HIMO Centre is also providing training to trainees from Congo Brazzaville and Rwanda and groups of consultants from 11 francophone African countries have been studying the approach. Thus, the approach is increasingly being seen as a standard approach to infrastructure development in poor countries. The ILO is creating a change in the mindset of donors and governments implementing infrastructure projects.
IV. Productivity and livelihoods in the rural economy

"It is essential to create new jobs through employment-intensive growth; address decent work deficits in the informal economy and in rural areas; improve the productivity of the working poor; and pay greater attention to equity issues."

Working out of Poverty: Views from Africa
Special Supplementary Report by the Director General
ILO Tenth African Regional Meeting
Addis Ababa, Dec. 2003
Since the irrigation schemes were set up in Madina Niattbé, there has been a significant increase in agricultural output. While the men work the irrigated rice paddies, the women of this Senegalese village are busy tending cabbages, lettuce, carrots, tomatoes and peppers. They sell a portion of the produce in a nearby market to buy other essentials or save through their cooperative. Although establishing the irrigation scheme required outside technical expertise, managing the scheme has required the active participation of local associations. In fact, the village has four agricultural associations, each with 160 to 180 members. In addition, there is a 400-member women’s group. It is through these associations in Senegal and in five other West African countries that the ILO’s ACOPAM program has created work for 50,000 people and improved the lives of an additional 35,000. The program has provided technical expertise on agricultural production, processing and marketing, on land management and soil conservation techniques, on credit and on various other activities.

Partners and activities

The basic idea behind ACOPAM was to work with rural organisations (village associations, cooperatives, non-governmental organisations) and provide ideas, inspiration and technical advice. Efforts were targeted at rural activities to ensure long-term food security, the development of cash crops (notably cotton and rice), employment creation and, in the long term, poverty reduction. The project was implemented through 2,000 associations in Burkina Faso, Cape-Vert, Mali, Mauritania, Niger and Senegal. In the project’s latter phases, efforts focused on reinforcing meso level institutions and reforming national cooperative policies. The 21-year project received strong financial support from the Government of Norway ($44 million).

Results

The project started in the late 1970s when low and erratic rainfall was threatening villages of the Sahel. ACOPAM focused initially on setting up locally managed cereal banks. The project helped to support the creation of more than 300 village banks in Senegal, Burkina Faso and Niger. These banks provided access to their 20,000 members to save cereals and use the stores during time of low harvest. The banks have become very successful: for example, in Burkina Faso they are now part of a national food security policy. Some 157 separate village level associations are involved in the management of the banks and these are grouped into three large unions that cover different climatic zones of the country. The associations have established the Support Fund for Grain Marketing that facilitates inter-zone trade and the inclusion of new grain banks into the national system.
The banks were managed locally but the low level of literacy made it difficult to keep accurate records. Thus, a key component was the development of a functional literacy program based on the keeping of a proper stores ledger to account for contributions and withdrawals. The use of functional literacy became a key component of the overall ACOPAM program as it branched into other activities.

Perimeter irrigation systems for villages have allowed for the management of more than 3,000 hectares of productive land in Senegal, Mali and Mauritania. In addition, the program has assisted 25,000 farmers with training in rice cultivation and self-management of land parcels. Some 500,000 feet of tree protection has been implemented to reduce soil erosion. Modern land management techniques have been used to prevent the degradation of soils in fragile agricultural zones. Significant efforts were made in the production and marketing of cotton, affecting the lives of 80% of the cotton farmers in the six countries.

Rural women’s organisations, with a combined total of 7,000 members, were aided in mobilising more than FCFA 400 million in credit for profitable income-generating projects managed by individuals and communities.

A key measure of success is that today, four years after the cessation of project activities, many of the organisations are still in operating and providing for their members. In addition, a number of the technical experts involved in the ILO project have formed non-governmental organisations or consultancy organisations to continue their involvement in local communities.

Policy impact

The project has contributed to the formulation of cooperative policies and laws in three of the countries: Burkina Faso, Mali and Niger. Numerous people and organisations were involved in these processes and in ensuring successful application. The project has also had an important impact on government policies related to food security, cotton marketing and micro-finance.

Up-scaling

The success of the project can be attributed, in large part, to its participative and multi-sectoral approach and the competence of the technical team. As a diverse project, it relied on the coordinated activities of a variety of ILO units. Throughout, implementation agencies and technical experts ensured a strong correspondence between the needs of the people and the means and methods of achieving them. External factors were also important, namely, the availability of funds and the long timespan which allowed for learning. The involvement of national and local authorities and constructive relations with donors were also critical external factors. The approach is being replicated with a new ILO project covering three countries in West Africa. In addition, ACOPAM tools are now being used in India.
In Burkina Faso, some two million people rely directly on the cultivation of cotton for their household income. Left on their own, these farmers would find it difficult to survive the variations in weather, secure the necessary inputs and withstand international price fluctuations. The farmers are not left on their own, however, for in this country they are part of an integrated vertical production, processing and marketing system. While markets for inputs have seen some liberalisation in recent years, the farmers are given access to high quality inputs, to technical expertise and to credit. As a result, the sector continues to expand: the area under cultivation, the number of producers and the yields of cotton grain and cotton fibre have risen steadily. Cotton accounts for about 60% of exports and the country is the second largest producer in Africa, behind Mali. Moreover, some 98% of the cotton is considered high quality. The development of the sector has relied critically on the cooperation between farmers and the government parastatal, SOFITEX, with advice and assistance provided by the Government of France.

In 1996, the structure of the sector was modified, building on the past system. The 200,000 mainly smallholder cotton producers have been organised into 8,000 producer groups (GPCs). These are further organised into 248 departmental unions and 36 provincial unions. At the top of the structure is the Union Nationale des Producteurs de Coton du Burkina Faso (UNPCB). In an historical agreement in 1999, UNPCB obtained a 30 per cent stake in SOFITEX and currently have seven members on its board of directors. This allows for direct farmer involvement in the buying and marketing of cotton and in the support network for inputs.

**Partners and activities**

The French government, mainly through its development agency, AFD, has worked closely with SOFITEX over the past decade. Between 1994 and 2003, France provided €59 million in assistance, with a new project, for €5 million, currently under development. In particular, France has assisted the government in making strategic choices on the organisation and securitisation of the distribution of inputs, on technical support to improve yields and quality and on the increased involvement of farmers in the management of the sector.

As a result of reforms, total net revenues paid to cultivators have increased fourfold between 1994 and 2001, the highest increase in the sub-region. The average size of a cotton farm is 8.4 hectares with about 3.75 hectares under cotton cultivation and the remainder used for cereals, food crops and animal rearing. The average household revenue generated from cotton alone represents 57% of the income level at which the national poverty line is set. The incidence of poverty among growers has declined from 50.1 to 42.4 per cent between 1994 and 1998. By comparison, the incidence of poverty for food crop producers increased by two per cent during that time.

The vertical integration of the sector, from the GPCs through to SOFITEX has ensured high production levels. The GPCs are in charge of the local organisation of orders for inputs and equipment, the distribution of seeds and other inputs, the provision of credit, the sorting and weighing of cotton grains.
One of the difficulties of the cotton market, like those of other commodities, is that selling prices can vary considerably from year to year. This creates instability for cultivators both for the purchase of inputs and for family consumption. SOFITEX has developed an income security and stabilisation scheme. This is done through the setting up of a fixed price guaranteed for the duration of the crop year, which represents a significant share of the international price for cotton. It ensures that farmers maintain a regular income. The system also allows for credit provision so that farmers can purchase the necessary inputs.

Policy impact

Those involved in the cotton sector took critical decisions to liberalise the sector but at the same time to ensure that producers were not left on their own in terms of securing inputs, delivery, marketing and other aspects. Thus, instead of a simple and naïve decision to liberalise and suppose that markets would work well, SOFITEX has sought to ensure that producers were supported in the more liberalised environment.

Up-scaling

Replication in other countries and for other commodities requires attention to the policy issues raised above. The liberalisation of key commodity sectors must not be undertaken naively. In Burkina Faso, it was apparent that cultivators needed support through their GPCs and the higher structures to maintain (and increase) production levels. Once this policy was decided, it was essential that the stakeholders remained committed and followed through on their support to farmers and their organisations.
By the mid-1990s, a severe deterioration of the road network in Eastern Province meant that productive areas were inaccessible during the rainy season. Some roads were impassable even in the dry season. This hampered the delivery of essential farm inputs, such as seeds and fertilisers, and it also obstructed the efficient shipping of agricultural produce at harvest.

The District Councils, which are responsible for maintaining the feeder roads, had a number of options. They could rehabilitate and maintain the roads with their own staff as they had done for years. They could also contract out the repair work to private companies. For the latter option, they could choose domestic or foreign firms which, with the use of heavy machinery, could do a good job.

They opted for none of these options, however, but instead became involved in an ILO pilot program to tackle not only the problem of poor feeder roads but also to encourage local development and employment.

**Partners: Working with District Councils**

The ILO began working with the District Councils, the Ministry of Local Government and Housing and the Ministry of Supply and Works on an approach which involved sub-contracting the rehabilitation and maintenance work to local companies. These companies were not heavily capitalised, but instead used labour-intensive methods to do the same work as larger, capital-intensive firms. By building up a base of smaller local firms, the Councils were, effectively, building their own supplier base as these firms could be contracted for future work. Thus, the approach is not only employment-intensive, but it also creates local employment.

Working in cooperation, the District Councils removed themselves from the actual road work and shifted their responsibilities to organising and managing the process of contracting the work to local suppliers (consultants and contractors). To make this change, the ILO and District Councils worked closely with the Roads Training School of the Ministry of Works and Supply (Training) to train policy makers and civil planners. The work involved the rehabilitation of an extensive network of feeder roads. Funding was provided by the UN Capital Development Fund ($4.9 million), the national government ($1 million) and the UNDP ($1.3 million).

**Results: Good quality roads and local employment**

The total number of worker days created through rehabilitation and maintenance work was in excess of 870,000 over the five years of the project. Women’s participation average 14%. Traditionally, few women have worked at management and technical levels for the District Councils or in the private sector. This reflects the male-oriented nature of the national construction sector. However, following this project, more women were taking up the challenge to become directors of small companies carrying out labour-based works.

A post-project evaluation found a recognisable improvement in accessibility in the districts. This resulted in improved economic opportunities for those living along or near the feeder roads and for commercial agricultural companies. A number of small businesses have set up along the road due to increased traffic. Clark Cotton (Zambia) Ltd. has noticed improved accessibility and has asked that more roads to be rehabilitated. The company indicated to project evaluators...
that labour-based methods have produced roads of good quality. It estimates that in some areas, marketed output has doubled and communications has increased to the extent that it has increased the field staff posted to the area.

The project has contributed to on-going reforms within the country’s road and transport sector. The National Roads Board and the Road Sector Investment Programme have endorsed and encouraged the labour-based and local construction sector approach. Project staff and the newly formed Eastern Province Contractors Association have actively promoted the methods in meetings on the road sector. The project has become a showpiece and has contributed to making the methods better known in Zambia and other countries.

**Up-scaling: Other types of infrastructure and training**

The feeder roads approach can be seen in two other government projects. These are the roads component of the Smallholder Enterprises and Marketing Project and the Community Transport Infrastructure Project. There is likely to be much more use of the approach as it is having an impact on how students are taught about infrastructure development. University students worked on attachment to the feeder roads project for industrial experience. As a result, there has been a request for the ILO to assist the University of Zambia to introduce labour-based technology into the curriculum.

The Ministry of Local Government and Housing hopes to replicate the project in other provinces. The Road Sector Investment Programme has targeted the road sector as a means of employment creation and poverty reduction. It foresees the creation of 30,000 new jobs and the establishment of 300 maintenance contractors and 72 rehabilitation contractors trained in labour-based methods. It has been proposed that the approach be scaled nationally with the strengthening of the new Road Development Agency which would coordinate new initiatives and provide technical and procedural guidance. The labour-based approach is being used in several other countries in southern Africa (e.g. Madagascar, South Africa, Tanzania) and elsewhere (i.e. Cambodia).
In August 2003, South Africa and Namibia agreed to create the Richtersveld/Ais-ais Transfrontier Park and thus preserve the unique desert ecology that straddles the Orange River. Along with adjacent parks, the cross-border park has created the largest protected desert area in the world. Even before the park was formally created, tourists had been flocking to the area and in recent years visitor numbers were increasing annually by 25%. A three-fold increase is expected in the coming years.

On the South African side, the Richtersveld Common Property Association (CPA) has control over 500,000 hectares of semi-desert land. Working with the Department for the Environmental Affairs and Tourism (DEAT) and German Technical Cooperation (GTZ), the Richtersveld CPA is working to ensure that the people of the area can preserve their use of the land while generating income from the inflow of tourists. A third of the land is rented to the government’s SANParks and used as a national park, while another portion is used for traditional animal husbandry. A remaining area is being developed as a community conservation area with tourism as the main economic driver. Three community-owned guest houses have been constructed and are operational. These are generating jobs and income for local people. Efforts are underway to develop small businesses in arts and crafts and other tourism activities. It is part of a much larger effort by DEAT and GTZ to support community-based models for natural resource management in South Africa.

**Partners and activities**

DEAT and GTZ are implementing a program called Transform. It focuses on rural poverty in areas dominated by communal land use. In many cases, land was restituted to local communities following the end of Apartheid. The land’s natural resources have either been inappropriately used, leading to degradation, or opportunities to use the land to generate income for the community has been missed. In these areas, the population depends, for the most part, on the use of natural resources, migrant labour and pensions to sustain livelihoods. Unemployment often varies between 40 and 80% of the active population. Transform works very closely with local communities through community trusts, common property associations and municipalities. The work is guided by the government’s community-based natural resources management policy. Under this policy, common property resources are used and managed by and for the benefit of local people through job creation and small enterprise development. DEAT has contributed €7 million and GTZ has provided €6 million to the program.

**Results**

In addition to Richtersveld, the program is working in several other areas. The community-based Makuleke Trust has been able to generate benefits from land restituted to them in northern Krugerpark. The approach is to develop joint tourism ventures with the private sector. One lodge is now operational and three others are under construction. The trust is presently in charge of wildlife management in their part of Krugerpark and, in 15 years, will have the option of managing the lodges now being built. The trust is well established with good representation from the community and excellent governance, benefit-sharing and monitoring systems. The income generated from restituted land and associated tourism activities has allowed the trust to invest in village electrifi-
cation, the rehabilitation of agricultural irrigation and the construction of a guest house outside the protected area. Annual income from hunting and tourism is €250,000 and is likely to more than double when activities are fully operational.

In another activity, community organisations and a municipality has received assistance from Transform to obtain a 99-year lease on a former military base in the prime tourist area of Bourke’s Luck Potholes. This area has been developed for tourism with hotels, arts and crafts, and training facilities. Some 200 jobs are being created and benefits will be invested in community development programs.

**Policy impact**

Lessons learned from the program’s first experiences have motivated the government to draft a community-based natural resource management policy. Transform assisted in the development of this policy and in the poverty-reduction oriented National Action Plan for Combating Land Degradation. In its current phase, Transform is contributing to capacity building by mainstreaming these policies through a multitude of poverty relief projects funded through DEAT. The experiences of these projects will be used to update the policies.

**Up-scaling**

Examples of Transform’s community-private partnerships were presented and received an enormous response during the World Parks Congress in 2003. These models are being replicated in various areas of South Africa where communities have land rights and other assets to bring into partnership with the private sector. Projects in catchment management are being implemented to generate income for poor communities. More than 20 tourism/natural resource management projects are functioning or have recently been started in the country. Similar projects are operating in Namibia and Botswana. These models can be extended throughout southern Africa. Opportunities for developing tourism are more rare in western and central Africa but possibilities do exist. A community based approach can be used throughout Africa for: renewable energies, forestry, catchment management, medicinal plant production, arts and crafts, fisheries and the processing of natural resources.
Mozambican farmers are concerned about retaining the use of their land. It provides the means to produce the household’s food and to generate cash crops for sale. To lose the right to cultivate a piece of land is to lose the family’s livelihood. At the same time, the typical farmer is opposed to efforts to private land. While we might associate land privatisation with greater security, that is not the case in Mozambique. The constitution grants ownership of all land to the government and, therefore, to privatise land is to take power away from the government and allow for the possibility that the wealthy, private elites will secure rights to the land. This is what poor Mozambicans fear and this is why, in 1997, one week before the passage of a new land law, they held one of the first public demonstrations in their post-war period. They demonstrated to ensure that land was not privatised.

This is just one aspect of the difficult issue of land rights in the country. Farmers have rights to occupy and use land that are governed by traditional, informal methods, like in other Africa countries. The system has provided some security, but with land becoming increasingly scarce and thus the subject of dispute, a new land law was needed. While smallholders were against privatisation, women had their own, additional, concerns. They were worried that any new land law would not entrench specific aspects of customary law, because custom limits the inter-generational transfer of land to women. Instead, they campaigned for – and secured – a clause in the new land law that the land use and exploitation rights could be acquired ‘according to customary norms, which should not contradict the constitution’. This reference was made because the constitution guarantees equality between men and women.

The concerns of farmers, both women and men, were only able to influence law and policy if those concerns were heard by policymakers. At the same time, new laws and policies will only be accepted and used by the people if they are well understood. It is a two-way process and Mozambique provides one of the best examples in recent years of how that process can work.

Consultations before – and communication afterwards

Land has always been a contentious issue and following the country’s first multi-party elections in 1994, an inter-ministerial Land Commission was set up to draft a new land law. One of those advising the commission was Jose Negrão, a lawyer and professor of agrarian law at Eduardo Mondlane University, who would play an important role in implementation.

The commission heard wide consultations. A national land conference was convened in May 1996 to discuss the draft land law and include the participation of more than 200 representatives. They represented government, civil society organisations, political parties, traditional authorities, the private sector, national and foreign academic institutions, religious groups, donors and the United Nations. The issue of women’s rights was contested and the change noted above was made. There was also heated discussion about whether enshrining tradition would freeze the evolution of land rights. Some called for private rights while others noted the experiences of other countries where the poor cannot afford the cost of registering land under a privatised system. These comments were considered and a new balanced law, creating more secure rights and clear processes of dispute settlement along with
customary rights and practices, was introduced and came into effect in 1998.

The purpose was to reduce the conflicts between largeholders and smallholders and thereby to increase investment in agriculture and improve productivity. Land is an important issue as 70% of the population is rural and 80% depends on agriculture for their livelihoods. The law was designed to increase the security of land use and the productivity of farming. Resolving the uncertainty over land rights creates the incentives necessary for productive investment. Farmers know that the right to use land is undisputedly theirs and they can invest in irrigation systems, nutrient improvements in the soil, machinery access and other improvements.

The difficulty with laying down formal rights is that they are often not well understood by rural inhabitants, who can see them as incursion from urban based governments and as favouring the acquisition of land by large landholders and other elites. In many parts of Africa, societies are trying to move from informal to formal systems governing economic activity but the new systems must be protected from abuse by the powerful and must be understood by local people if they are to work effectively.

**Making a new land law effective**

Mr. Negrão knew from the experiences of other countries that new laws, especially in the area of land rights, have little effect unless they are understood by the people whom the law affects. He headed a *Campanha Terra* (Land Campaign) to inform people throughout the country about their rights and duties regarding the law and the procedures for settling land disputes. What was initially thought of as a ‘dissemination campaign’ quickly became, under his leadership, the biggest civic movement in the country’s recent history. It included poor peasants, priests, teachers, intellectuals and many volunteers and civil society organisations. The campaign lasted two years, covered 114 of 128 districts in the country. The campaign organisers produced manuals and brochures but given that 70% of the population is illiterate in many areas, they relied on videos, posters and the recordings of theatre plays. The message was disseminated in 20 local languages and Portuguese.

In 2003, the campaign secretariat was transformed into *Forum Terra* and established as a legal NGO. The Forum groups together 19 different civil society organisation along with a number of individual members. These civil NGOs are locally based and have been involved in the land campaign to get the new law understood. The Forum works closely with the government departments and services responsible for geography and land registration, forestry, environment and others. The Forum has received support from the Swiss development agency, the Netherlands government and several international NGOs, such as OXFAM.

The purpose of the organisation is the dissemination of land law and other laws relevant to the rural communities, to strengthen the local leadership in defence of their rights and to facilitate mediation and management of land conflict. As a result of these efforts, the land law is much better understood by rural inhabitants. Without that knowledge individuals and communities will not use that law to deal with disputes. Already, the Forum has been helpful in solving a number of conflicts over disputed ownership and boundaries.

The Mozambican case provides an interesting example of participation and communication in the movement to more formalised rights that is needed to improve productivity while protecting the interests of poor smallholders.
Each year the number of people trying to make a living in lower Nyeri district increases. Landless migrants from the densely populated areas of Central Province move to the district to settle on vacant land. In these squatter areas, too, however, land is getting scarce and a family can usually get only about two hectares. This would suffice to allow them to grow food for themselves and cash crops for sale in the markets. The bigger problem is a lack of water. The land could support people but it requires judicious land-use management practises and proper water sourcing. The area is not unlike many other rural regions in Africa where high population growth has forced families to settle on marginal land.

There are now about 220,000 people living in these dry areas of Nyeri district. The area is poorly provided by government services. Health and education provision is low and of poor quality and water management is inadequate. This is partly due to the relatively recent settlement of the area but also to a previous government policy of supporting development in high potential areas elsewhere in the province.

The government and International Fund for Agricultural Development (IFAD) have recently recognised lower Nyeri as a high priority area. Efforts to raise agricultural productivity with careful water management and soil erosion prevention techniques are now a priority. This is being done by forming local water management committees and working with local government structures so that the smallholders are involved in managing their resources. Pipes have been laid to bring water into the district from higher elevations.

The project has built on the dynamism of local communities by supporting their own efforts to develop water resources. Water resources are key for year-round agricultural activities and for the production of high value crops. However, the extraction of water close to its source can affect availability further downstream in arid and semi-arid areas.

IFAD developed an approach to assisting local initiatives through the provision of materials (such as pipes and pumps) while the water user groups provide labour and local materials for construction. The latter represents a major portion of the cost for water management projects. In most cases, communities contribute labour and local materials equal to 50-75 per cent of the total cost of the irrigation scheme. A similar approach is being used for the construction of health care centres – where the project provides cement and building blocks, while the communities provide the labour and subsequently take over the financial management of the centres through the sale of medicines and other products.

Partners and activities

IFAD and the Ministry of Finance and Planning are working together with district-level government technical services and administrators. Small private contractors have been hired to provide the pipe and local communities have been mobilised to dig trenches and lay the pipe. A local organisation, KIREFU, is providing micro-credit so that smallholders can purchase inputs. Financial support has been provided by the Belgian government through the Belgian Survival Fund, which works closely with IFAD to improve household nutrition and food security.
Results

The impact of water provision and management has been substantial for many smallholders. Where farmers have access to water to irrigate one quarter of an acre, they are able to feed themselves and generate enough income to pay for water charges and finance school fees for their children. Some farmers even generate a small surplus to invest in additional productive assets, such as a dairy cow for stall feeding.

The primary health component has had a substantial impact on reducing infant mortality and improving the health of nursing mothers and children under five. Nutritional activities carried out with the Home Economics Section of the Ministry of Agriculture have been particularly successful in raising household food security and nutrition.

Policy impact

IFAD is currently examining how to improve water efficiency and management in the Mount Kenya area in order to ensure water availability downstream.

Up-scaling

By supporting local initiatives for water management and social services, it is expected that the IFAD approach will be replicable in other critical watershed areas of Kenya and other countries.

Contacts

International Fund for Agricultural Development (IFAD)
www.ifad.org
Donor: Belgium
Timespan: 2001-2008
We know skills are essential to improve productivity, incomes and access to employment opportunities. Yet a striking feature of most poverty reduction strategies is the absence of vocational training and education.

*Working out of Poverty*
Report of the Director General, ILO
ILC 2003
The 23 women of the cheese-making cooperative were at a crossroads. They had been operating, in the Niger community of Tabalak, for eight years but their cooperative was initiated and supported by a donor. Now the donor was pulling its support and the women doubted that the business could survive on its own. They were thinking of closing it down. Project staff with NIGETECH heard of their situation and offered to help. The staff talked to the women and examined the workshop. They learned that the women had never been properly trained in cheese-making and that this limited the quality, freshness and longevity of their cheese.

NIGETECH organised for the women to be trained by experienced traditional cheesemakers, with training provided to the older women so they could then train the younger ones. Along with techniques for fabricating cheese, the women were also taught hygiene and preservation techniques. Since adopting these techniques, the cooperative has increased productivity and output. They have slowly built a reputation among wealthier inhabitants and expatriates for quality, taste, preservation and high standards of hygiene. The cooperative now has problems filling their orders and is looking to increase working capital and purchase materials to protect the cheese from dust in the marketplace. They are also looking to expand milk production from their cows and goats.

**Partners and activities**

NIGETECH is a European Union program promoting vocational skills training. The €6.8 million effort, over four years, involves the Ministry for Secondary and Higher Education, Research and Technology and the ILO, who provides technical assistance and expertise. The program also involves local and national authorities, elected representatives and, most importantly, trainees and artisans. At the outset, the idea was to train people in skills that they could use as apprentices, workers and as micro-enterprise owners in a variety of sectors. To ensure that the project was demand-driven, project staff set up in the capital, Niamey and four other cities (with two satellite locations added later). As in other Sahelian countries, artisans organise themselves into skill groups, like guilds. The project asked for each group within a city to designate a person to act as liaison between the group and the project. This person provided two-way communications: she or he consulted members on skills needs and provided that information to the project and, at the same time, she or he informed the groups about the project and the training it was proposing.

To ensure that the training would be relevant, the program made arrangements with 100 private artisans to specially equip and use their workshops as training sites. More than 400 training modules, covering dozens of disciplines, were designed, tested and then delivered. Some 44 vocational or revenue-generating activities were added to existing curriculum. In total, 9,593 people received initial training or skills upgrading. The project was implemented throughout the country, involving people from all social classes and also women, youth, persons with disabilities and others. Trainees included artisans, workers, apprentices, the unemployed and trainers. In addition, about 20,000 people attended technical information days regarding the use of new technologies and new methods of production.

**Results**

The contribution of skills training to decent work is its impact on employability: people are better able to secure reasonably well-paid and protected jobs. For
micro-enterprises, training supports productivity which underpins competitiveness, higher profits and, with appropriate gain-sharing, higher wages for employees. To test the connection between skills, productivity and income – for both micro-enterprises and workers – the project undertook a socio-economic impact study.

The study sampled 552 apprentices, employees, managers and owners who received training. Nearly all of the trainees (99%) felt that the training had increased the quality of their work and the productivity of trainees rose on average by 30%. These two aspects – speed and quality – had an important impact on enterprise performance. A full 74% of owners and managers indicated that their clientele increased after the training. Some of this demand could be met with existing personnel, but 25% hired additional employees. At the same time, many owners and managers recognised the impact of better skilled workers on micro-enterprise performance and sought to reward that performance and retain those workers. Thus, 51% of the trained workers received an increase in salary.

The training also targeted the unemployed, including those who had never gone to school or had not completed a basic education. Their training also included advice on establishing small workshops and micro-enterprises. In total, 63% of the unemployed created some type of income-generating activity and just over half of these were collective micro-enterprises.

**Policy impact**

The skills training activities are appreciated and supported by senior government policymakers. An advisor to the prime minister has noted: ‘We have had the opportunity of a concrete project that trains people in useful skills’. Even more so, the program has changed attitudes by internalising, within the government and in communities, the concept of ‘lifelong learning’. This means greater support for adult training, including both the employed and unemployed.

**Up-scaling**

The approach is replicable wherever there is a commitment to, and the institutional arrangements for, developing demand-driven training. Officials from other countries are interested in studying the approach for adoption in their own countries. The EU is proposing a third phase for Niger which will support poverty reduction by improving the employability of youth and the economic performance of artisans through vocational training. The ILO will provide technical advice for the establishment of an institutional and organisational framework for continuing vocational educational in the country.

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**Contacts**
Skills and Employability Department
International Labour Office
www.ilo.org/skills

**Donor:** European Union

**Timespan:** 1990s – current (new phase)
Ethiopia

Haregu joined the military as a teenager in the 1980s. She did not join the government, however, but the opposition forces. In the Tigray region, where she lived, these forces were fighting the former government, known as the Derg. Haregu joined the opposition for personal reasons. Derg forces had come to her home one day to force her father to enlist. He refused but they took him anyway and she never saw him again. ‘Some years later some Tigray soldiers passed by our house,’ she says. ‘My mother told me that they were fighting against the people who took my father away. I decided I would join them.’

After training, she fought with the forces for two years before being wounded, in the eye and the leg. She was treated at a hospital in Sudan and stayed there for six years. She then returned to Ethiopia to continue her rehabilitation. During this time, she studied and obtained a Grade 6 education. The war ended in 1991 with the toppling of the Derg. She opened a small retail business in her house selling coffee, tea, sugar, stationary and other items. The revenue helps to support the family. Her husband is also a disabled veteran, who operates a furniture business.

Ten per cent of the veterans from the war are women. Disabled persons organisations are working to assist people like Haregu to use their abilities to operate small businesses that can generate income for themselves and their families. The organisations have provided entrepreneurship training, supported by the technical assistance of the ILO and funding from the Irish government. The effort not only targets war veterans but is available to a broad range of women with disabilities including those with physical disabilities, the blind, the deaf, ex-leprosy patients and disabled war veterans. Support has also targeted the wives of those severely disabled by the war and the mothers of intellectually disabled children. These women all have one thing in common: they are engaged in small business activity or want to establish such enterprises to generate income for themselves and their families.

Working through and strengthening local organisations

The program is being implemented through the Ethiopian Federation of Persons with Disabilities and the Tigray Disabled Veterans’ Association, with the cooperation of the Ministry of Labour and Social Affairs, notably its Rehabilitation Affairs Department. Working with the ILO, these organisations have not only supported entrepreneurship through basic business training, but they have also helped with securing access to credit and supporting business advisory services, following training.

In addition, public awareness about disabled women war veterans and other persons with disabilities has been promoted to create a positive attitude about their abilities. The stories of Haregu and other like her have been documented and made available to a wide audience. Much has been learned about the connection between disability, poverty and social exclusion. In seeking to survive, earn a living and play a role in society, women with disabilities face disadvantages arising from both their disability and their gender, which in many cases, is compounded by their poverty. In Ethiopia, as in most developing countries, they are more likely than others to be:

- extremely poor or destitute
- illiterate and with little or schooling
• without vocational skills
• unemployed
• underserved, often without access to public services
• unmarried or childless, often without family of community support
• socially isolated due to stigma, myth and fear

Government disability policy favours the development of representative organisations. The ministry has taken a leading role in promoting and facilitating the creation of a Forum on Disability in Ethiopia, and the Ethiopian Federation for People with Disabilities (EFPD) has been designated to host the Forum Secretariat, given its demonstrated ability to coordinate activities benefiting persons with disabilities. The partnership between civil society organisations and government departments is a key ingredient for success in reaching the poor and disadvantaged.

EFPD is also branching out in other ways to promote employment for those with disabilities. Together with the Addis Ababa City Administration, it was one of 40 winners in the 2003 World Bank Development Marketplace. Its winning proposal, which will receive funding, focuses on improving sanitation for the poor in the capital. Over 120 jobs for women and men with disabilities will be created as a result.

**Up-scaling within Africa and beyond**

The strategy of contracting disabled persons organisations to implement project activities is being replicated in a similar ILO project for youth with disabilities in Malawi, Swaziland and Zambia. Lessons from Ethiopia are also being used by the ILO to promote entrepreneurship development among women with disabilities in the Baltic region. In this way, lessons from Africa are being used to assist other regions. Given the number of armed conflicts in Africa over the past two decades, there is every reason to believe that the Ethiopian example could be used in many parts of the region to assist women (and men) with war-related disabilities.

Contact
Skills and Employability Department
International Labour Office
www.ilo.org/skills
Donor: Ireland
Timespan: 2001 - 2004
Under apartheid, many black and non-white students seeking a higher education enrolled in technical and vocational institutions known as technikons. These were generally felt to be second rank institutes, providing lower quality degrees. The qualifications of teaching staff were markedly lower than those at the white universities. As a result, unemployment among graduates was high.

Following the end of minority rule, an effort has been made to strengthen the technikons. Given the continuing weak job market, however, graduates still have difficulty securing employment. Many try to generate jobs for themselves by starting businesses. To assist in this process, a unique EU-funded program, called Tabeisa, has united four technikons and set up an institutional link with two universities in England to strengthen teaching and research capacity in the area of entrepreneurship.

Program planners also recognised, however, that new graduates need more than just knowledge to start a business. They also need finance, business services and mentoring support. To this end, the program established four business centres to provide advice, information and key contacts for graduates. The centres were located at the universities and provide information not only to new businesses but also to existing ones. The effort is designed to both energise the teaching of business and to empower black people in the commercial world.

**Partners and activities**

Tabeisa was begun with seed money from the British government (DFID). In 1998, the EU provided €6 million for the main 1998-2003 program. Two English universities, Coventry and Greenwich – themselves former polytechnics and with considerable experience in entrepreneurship education – provided technical support. They were linked with four South African technikons in diverse areas: Eastern Cape Technikon, Durban Institute of Technology, Peninsula Technikon and Technikon Northern Gauteng.

The program involved the training of instructors in the technikons, the development of an entirely new curriculum and the establishment of a new Master of Technology program in entrepreneurship. In addition, technikon academic staff were given instruction in how to undertake research, as they had traditionally engaged only in teaching.

The new teaching materials include a Foundation Series on business (seven books) which will be published by Oxford University Press. In addition, the program has produced: a business entrepreneurship series (18 books), case studies of small business (11), and texts on social entrepreneurship (10). Some 80 technikon staff have been trained in the design and development of learning materials. Four workshops were held to provide information on the new learning materials and teaching methodologies. In total, 788 academic staff received training in entrepreneurship education and the newly developed curricula. Staff were also trained in conducting research and have since produced 109 research papers and organised three research conferences.

Four enterprise centres were established to provide starting entrepreneurs from previously disadvantaged communities with assistance in product development, marketing, business planning and in securing micro-credit from financial institutions. The centres have set up a functional network and
partnerships with local businesses, service providers, funding agencies, banks and governments departments.

**Results**

A total of 4,800 students have attended entrepreneurship courses at diploma and certificate level. An additional 43 students have recently enrolled in the masters degree in entrepreneurship.

The centres have assisted in the start-up of 210 black-owned enterprise and provided advice and other services to a further 1,085 existing businesses. The new enterprises provide employment and income to 831 workers. With the dependents of workers included, the new businesses support the welfare of 4,150 people. The failure rate of these start-ups is currently below 10%. In terms of securing finance for the start-ups, the centres have facilitated access to over 9 million rand (€1.2 million) in external credit.

**Policy impact**

The program has had no direct affect on government policy but it has changed the way in which the technikons operate. An independent evaluation report noted:

An attitudinal change – one which will embrace the challenges of change and risk-taking – is currently taking place in the four technikons. The Tabeisa program has been involved not only in developing new structures but also new visions, attitudes, values and perspectives – all key elements of institutional transformation.

**Up-scaling**

Although the program has served a relatively small portion of disadvantaged communities in South Africa, the model has been demonstrated to work in a diverse range of locations (urban, rural, peri-urban) and could be easily replicated in other disadvantaged areas. A second phase is planned for expansion in other areas of the country. The further education and training sector (post-secondary, sub-degree level) will be incorporated and should substantially increase the target group. Tabeisa was showcased at an international workshop at the University of Namibia in 2003. A number of other institution expressed interest and links have been made with those in Botswana, Namibia, Ghana and Gambia. Some of the teaching materials developed are being shared.

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**Contacts**

European Union - EU Delegation in Pretoria - South Africa

www.eusa.org.za

Donor: European Union

Timespan: 1998 - 2003
The capacity for women to engage in education and training is constrained by the time needed for their other roles as child-carer, homemaker and income-generator. Reducing these burdens can increase their learning, which in turn feeds back into these other activities. Literacy allows them to deal with the public bureaucracies and support organisations, and learn about better health care and nutrition for their families. Vocational training improves their income-earning potential. In the peri-urban community of Lassa, near the Malian capital of Bamako, an interesting project has been developed to address the various constraints faced by women who want to get an education.

At the core of the project is literacy and vocational training, but the activities which create time for women are a fundamental support. For example, the women have created a child care centre where they could leave their children for a portion of the day. Moreover, new technologies have been acquired to reduce the drudgery of household and cooperative chores: solar powered pumps and driers, a multifunctional workshop for women and improved foyers. With the time savings, the women have been able to gain functional literacy and vocational skills, attend the under-utilised health clinic and work on income-generating and other cooperative activities. Their new vocational skills have allowed them to reduce their reliance on the arduous task of collecting, transporting and selling wood in Bamako.

**Partners and activities**

The project is a collaboration between the Government of Luxembourg and Mali’s National Resource Centre for Non-formal Education, which is under the Ministry of Education. Slightly more than €2 million was provided to support the activities. Along with literacy and vocational training and support for cooperative income generation, key components include the improvement of sanitation and the environment in Lassa. Much of the effort was carried out through a women’s based cooperative. The cooperative has developed strong links with the local community, including the mayor’s office, and with the Coordinator of Associations and Women’s NGOs of Mali (CAFO) and the Academy of Teaching.

**Results**

Some 420 people completed a functional literacy program, three quarters of which were women. A portion of these (140) also received vocational training and most of these were women. About 400 people sensitised and trained in environmental management and thus training was put to good use in improving the environment and sanitation of the Lassa area. Many women were specifically trained in the conservation and purification of potable water, the proper management of waste water and the construction of improved housing. A local health centre has been rehabilitated and about 5,000 people have visited the centre recently, for consultations, prenatal care, vaccinations and other treatments.

Some 200 women received credit from a micro-finance scheme for the developing of income-generating projects. Repayment levels have been high. Renewable loans were provided to five activity groups of the cooperative. The women set up a stall in the local market to sell the produce from the cooperative. A henhouse was repaired and improved by youth in the community and has a greater capacity to generate eggs, food and income. The cooperative sells essential foodstuffs in the community.
Through the various project activities, the role and place of the women in the community has been strengthened and made more visible. The women, through their cooperative and other activities, have much greater confidence in contacting and discussing with local authorities. The income-generating activities have raised their status within their own households. This is a general result of the project but is difficult to measure in quantitative terms. Women have been empowered to take matters into their own hands so that they can improve themselves, their households and their communities. That sense of empowerment has been underlined by the fact that they have won two prizes for their work: one from the District of Bamako for their literacy program and another from an international women’s NGOs for their innovative approach to education.

Policy impact

The project supports the Strategic Framework for Poverty Reduction, which guides the country on this important issue. It supports that framework by developing direct collaboration between state, private and community structures to better understand the problems of poverty and development. The project has helped to generate revenue for poor people through training and cooperative activities.

Up-scaling

The project is being use as an example for a training and support project for women and youth in another peri-urban area of Bamako. Replication in other cities and countries requires a solid foundation of cooperation with the women of the community. Efforts to engage women in training and income-generating activities need to account for the pressures on their time and need to create the means for relieving those pressures.

Contacts
Grand Duchy of Luxembourg
(Development cooperation department)
www.lux-development.lu
Donor: Luxembourg
Timespan: current
Conclusion

These 30 success stories do not provide a single definitive statement on how to reduce poverty. They offer examples, suggestions and ideas for national governments, social partners and the international community on how Decent Work can contribute to national poverty reduction strategies in the context of NEPAD priorities and the Millennium Development Goals of reducing poverty by half by 2015. They show that:

- Poverty elimination is impossible unless the economy generates opportunities for investment, entrepreneurship, job creation and sustainable livelihoods. Employment is the way out of poverty;

- The poorest need a voice, representation and participation;

- Support for people unable to work because of age, illness or disability is essential.

- Fundamental rights for all, need to be recognised and laws protecting the poorest should be enforced;

- It is crucial to integrate socially excluded communities into the labour market and overcome discrimination, particularly against women and girls;

- Social dialogue is effective in contributing to stability and security for all, through participation. It also ensures that economic programs meet basic and affordable social protection requirements;

- It is important that labour ministries and social partners be involved in national and international poverty reduction strategies;

- Reducing poverty through decent work calls for greater coherence of development policies.

Of course, many more success stories exist throughout Africa.

They are possible because people and organisations take action and see opportunities to make decent work a reality in Africa. More valuable experiences need to be identified, analysed, disseminated and scaled-up within countries and across the continent.
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<tr>
<td>Stories of change in Kibaale District</td>
<td>Uganda</td>
<td>Ireland</td>
</tr>
<tr>
<td>Urban poverty alleviation project</td>
<td>Uganda</td>
<td>government, AfDB</td>
</tr>
<tr>
<td>Modular child labour survey and development of database</td>
<td>Uganda</td>
<td>ILO</td>
</tr>
<tr>
<td>Capacity building seminar on PRSPs</td>
<td>Zambia</td>
<td>ILO, FES, World Bank</td>
</tr>
<tr>
<td>Sustainable Lusaka project: water and waste management</td>
<td>Zambia</td>
<td>ILO</td>
</tr>
<tr>
<td>Zimbabwean cooperatives</td>
<td>Zimbabwe</td>
<td>ILO</td>
</tr>
<tr>
<td>Ratification of ILO convention, occupational health &amp; safety</td>
<td>Zimbabwe</td>
<td>ILO</td>
</tr>
<tr>
<td>Development of the transport sector policy</td>
<td>Zimbabwe</td>
<td>ILO</td>
</tr>
</tbody>
</table>

Notes:
The list does not include the 30 success stories
* denotes titles of projects translated from French
** In many cases governments, workers’, employers’ and other local associations and non-governmental organisations were involved in project activities
To create *Success Africa, Reducing Poverty through Decent Work - 30 Stories*, cases of successful activities were solicited from social partners, governments, international organizations and donors. Over 100 submissions were received and narrowed down to 30 in order to start a process which is planned to be developed, if deemed useful by the Social Partners Forum. The selection of stories to include was made by a sub-committee of the Preparatory Team set up by the Director General, Mr. Juan Somavia, in order to contribute to the AU Extraordinary Summit on Employment and Poverty Alleviation in Africa and the Social Partners Forum. This sub-committee consisted of Jürgen Schwettmann (team leader), Nieves Thomet (rapporteur) and 20 professional staff representing a range of disciplines including workers’ and employers’ activities and gender. Along with analysing the projects and programmes, the sub-committee tried to focus on employment creation as a starting and entry point.

We received many excellent submissions and the process of selection was not an easy one. As a result, we were not able to include many good stories that would have deserved to be part of this first draft, which is a work in progress, including those that, unfortunately, we received after the submission deadline. The selected cases were written up by Paul Vandenberg and, in almost all instances, these drafts were verified for accuracy by the agencies and officers responsible for the specific projects. The ILO would like to thank all the people involved in providing submissions, responding to requests for additional information and checking drafts.