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THEME: “Promoting Employment for Social Cohesion and Inclusive Growth”

Harmonization and Coordination Framework for the Labour Market Information System in Africa

I. INTRODUCTION

1. The 2004 Ouagadougou Declaration and Plan of Action on Employment Promotion and Poverty Alleviation places special emphasis on the information systems of the

labour market, and includes job creation and poverty alleviation initiatives as indicators in the African Peer Evaluation Mechanism. The Regional Integrated Employment Policy Frameworks unanimously recognize the shortcomings of the Labour Information Systems (**LMIS**) in African countries and the resulting problems of planning, monitoring and evaluation of employment policies for all the labour market's stakeholders.

2. For the purpose of formulation and implementation of employment promotion policies and programmes in a sustainable manner, and the monitoring and evaluating of their performance, it is imperative to have an effective and harmonized labour market information system. The use of common concepts in the different sources assists in securing comparability when multiple sources for changing patterns of economic activity are being relied on. Reliable and regular harmonized LMIS assists in monitoring the economic situation, human resources development, employment policies, income support and social programmes in favor of the Vulnerable and Marginalised Groups (VMGs).
3. Taking up this central challenge, the AUC organized a capacity building and planning workshop on the ***“Harmonization and Coordination of the Labour Market Information Systems in Africa”***, in Addis Ababa, from 14-15 December 2010. Following this workshop and other consultative works with the stakeholders, the AUC elaborated a *“Labour Market Harmonization and Coordination Framework” Project*. The UNDP West Africa Regional Centre is supporting the AUC in developing a Minimum List of Labour, Employment and TVET Indicators, and preparing a Plan of Action for the realization of a harmonized Labour Force Survey.

II. BACKGROUND:

4. The 2004 Ouagadougou Declaration on Employment Promotion and Poverty alleviation calls to *“include initiatives on employment creation and poverty alleviation as indicators in the NEPAD African Peer Review Mechanism”*. On another hand, the Ouagadougou Action Plan seeks to *“strengthen data collection and analysis as well as labour market information systems”* as part of a strategy of *“setting up and continuously up-dating of national data base on employment and poverty”* (Priority Area 6, Strategy *iii* and Action Recommended *vi*). Moreover, the Follow Up Mechanism mandates the African Union Commission to *“collecting and documenting information from countries, UN Agencies, donor agencies, IGOs and NGOs, commissioning interdisciplinary studies, research and evaluating employment and poverty alleviation situations”* (para 12,a,*iv*).
5. There is consensus on what should be done to overcome the deficit in labour market information systems. The 11th Meeting of the Africa Region of the ILO (Addis Ababa, 2007) set an important objective for the year 2015: All Member States should be able to generate annual basic statistical data on the size and composition of the workforce. The ILO Convention No. 160 and its Recommendation No. 170 provide elements for describing, understanding, analysing and planning the role of labour in the modern economy, and for monitoring progress towards productive employment.

6. International partners are providing technical assistance. The UNDP Spanish supported Programme on “Youth Employment and Social Cohesion” entails components dedicated to the enhancement of the institutional capacity of the national bureau of statistics. Beneficiary countries are Malawi, Lesotho, Kenya and Mozambique. The component is implemented through **(i)** training of technical staff for data and labour statistics collection and production, **(ii)** studies on employment statistics, **(iii)** capacity enhancement of the structures for statistics production, **(iv)** and dissemination of best practices. There is another component on education, vocational and technical training.
7. The 2009 1st Comprehensive Report on the Follow-up of the Implementation of the Ouagadougou Declaration and POA emphasised the still pervasive weaknesses of the labour market information system and the necessity to face these shortcomings if the employment policy planning, M&E is to become effective.
8. At its recent SADC Meeting of Ministers Responsible for Employment and Labour and Social Partners (29-30th April 2010, Maputo, Mozambique), SADC recalled its willingness to “*establish Labour Market Information Systems, in view of taking up the challenge of lack of labour market information systems coupled with irregular labour market surveys limiting further the capacity for effective policy formulation and planning*”. A draft prototype on Labour Market Information Systems is under preparation and would contain proposals on: (a) design of Labour Market Information System required for the SADC Region; (b) establishment of a database and dissemination mechanisms and, (c) capacity building requirements to operationalize the labour market information systems in the region. Other RECs are committed to undertake the same initiative (ECOWAS, Economic and Financial Community of West Africa). The EAC plans to conduct a regional manpower survey with harmonized questionnaire.
9. It should be recalled that at the 3rd Joint AUC-ECA Conference of Ministers in charge of Finance, Economy and Development Planning, great concern was expressed about the labour market information shortcomings and failures on the continent.

III. FRAMING THE WAY TOWARDS AN HARMONIZED AND COORDINATED LABOUR MARKET INFORMATION SYSTEM IN AFRICA

A. CONSULTATION ON THE CHALLENGES AND PERSPECTIVES FOR A HARMONIZED LMIS

10. In view of overcoming the above constraints, the AUC organized a workshop in December 2009 in Addis Ababa, gathering African experts for better understanding of the challenges and proposals of strategies to mitigate their effect on the performance of the labour market functioning in Africa.
11. The discussion evolved around **(i)** the Challenges, Imperatives and Perspectives for a Harmonised Labour Market Statistics and Information System in Africa **(ii)** an Overview of ILO’s International standards on labour statistics and their use in developing national labour statistics; **(iii)** Productivity statistics and measurements: challenges, imperatives and prospective; **(iv)** Decent Work Indicators (ILO); **(v)**

reaching consensus on a Proposal for Priority Key Indicators and Labour Market Information and criteria to be harmonised in the Africa region on a conceptual and methodological basis following ICLS guidelines and AFRISTAT's experience; **(vi)** Methodology of Production, Analysis and Dissemination of LMI; and **(vii)** Employment Data Governance Issues.

12. Weaknesses have been identified affecting the maintenance and management of labour market information systems in Member States, and these include **(i)** relative absence of local funding (75% from external source in Mali), **(ii)** irregular and insufficient LMI production, **(iii)** lack of LMI and Statistics norms and quality control and of enterprises repertory, **(iv)** limited capacity in existing data analysis and utilization for policy and programmes formulation. Other constraints are related to weak coordination of LMI providers, limited, restricted communication and information through the media, and weak capacity in data treatment in order to facilitate their access to users, decision makers and research institutions.
13. Like but a few other AU Member States, Mauritius provides an example of labour statistics production, analysis and dissemination. The primary sources of LMI are the Continuous Multi-Purpose Sample Survey (CMPHS) which comprises a permanent module on Labour Force characteristics, the decennial Population Census, the Survey of Employment and Earnings (in March each year), the Quarterly Sample Survey of Employment, Earnings and Hours of Work, the Census of Economic Activities conducted every five years, the Annual Production Survey and the Labour productivity estimates (S/National Accounts). They are completed with secondary sources such as the registered unemployed from the Employment Service of the Ministry of Labour, the payroll of government ministries and departments, the registered companies from the Registrar of Companies, the License holders and operation permits from District Councils and Municipalities. Mauritius also compiles a Quarterly Wage Rate Index by industry group.
14. Labour statistics are disseminated through the publications listed below which are also available on CSO's website: (1) Economic and Social Indicator on Labour Force, Employment and Unemployment (quarterly with a time lag of 3 months), (2) Economic and Social Indicator on March Survey of Employment and Earnings (annual with a time lag of 5 months), (3) Economic and Social Indicator on Wage Rate (quarterly with a time lag of 3 months), (4) Digest of Labour Statistics (annual with a time lag of 5 months). Mauritius is a subscriber to the IMF General Data Dissemination System (GDDS) since 2000. The country expects to graduate to the more stringent requirements of the IMF Special Data Dissemination Standard (SDDS) by end of next year. Statistics produced by the CSO are regularly assessed by the International Monetary Fund through the ROSC (Report on the Observance of Standards and Code) mission.
15. The harmonization process will face the principal challenges of the broad scope of the labour market dominated by the rural and informal economy. Other challenges relate to the diversity of the international non coordinated support programmes, the fragmentation of the types and sources of LMI, the differences on the definitions, concepts and terminologies with regard to the ILO standards, the governance gap with weaknesses of the labour statistics infrastructure, and the funding gap.

16. The key recommendations of the Workshop included: **(i)** the elaboration of a Labour Market Information System Harmonization and Coordination Framework (LMIS/HCF), with a Technical Working Group; **(ii)** defining Key LM harmonized targets and indicators; **(iii)** advocating for enhanced and sustained Political will and commitment towards the LMI at national, regional and continental levels; **(iv)** strengthening of National LMI institutions with a strong Coordinating Unit, functioning on the basis of Social Dialogue principles and mechanisms; **(v)** improved governance that will seek to coordinate and increase the funding of the LMIS on a more permanent basis; and **(vii)** development of a space for networking, experience sharing, using the ITC facilities, and South-South technical assistance.
17. It was furthermore proposed to put in place a Labour Market Information System Harmonization and Coordination Framework (LMIS/HCF) based on selected priority indicators and targets, the ILO standards, the principles of the AU Charter on Statistics, with roles and responsibilities outlined at national, regional and continental levels with the support of international partners.

B: THE LABOUR MARKET INFORMATION SYSTEM COORDINATION AND HARMONIZATION FRAMEWORK PROJECT (LMIS/CHP)

a) The Goal

18. The goal of the project is to improve the labour and employment policy setting, monitoring and evaluation processes in Africa.

b) Objectives

19. The objectives of the LMIS/HCF will be structured around the following:
- (i) Defining a set of key labour/employment indicators that are relevant to the follow-up of the Ouagadougou 2004 Plan of Action;
 - (ii) Facilitating the harmonization, coordination and coherence of the labour and employment data collection, treatment, analysis and dissemination at all levels,
 - (iii) Ensuring a regular production of labour harmonized and coordinated labour statistics as defined on the above item (i);
 - (iv) Promoting awareness of, and accessibility to reliable, affordable and accurate labour/employment data to all the stakeholders; and
 - (v) Enhancing technical and institutional capacity of Member States LMIS.

c) Outcomes

- Continental LMIS harmonization and coordination mechanisms established/promoted;

- Harmonized and coordinated LMIS in Pilot/Champion countries in line with the AUC LMIS/CHF;
- Partnership enhanced for sustainable harmonized and coordinated LMIS in Africa;

d) Outputs

- LMI concepts, definitions, targets, and methodologies are harmonized, and tested with pilot countries;
- Harmonized Continental LMI produced, analyzed, disseminated and used for policy formulation, M&E;
- Secured and long-term based mechanisms for LMIS Funding.

D: Implementing Approach: Roles and Responsibilities of the Key Stakeholders

1. National Initiatives:

20. Significant efforts and investments need to be put at the level of the national LMIS as a first step of the harmonization process. Member States have responsibilities:
 - a. For better articulating education and TVET data in the LMIS through, among others, development of analytical capacity to assess educational system and labour market requirements; development of educational and career path information specifically designed for the young;
 - b. To secure funding and cost-effective LMI;
 - c. To conduct an audit of the national LMIS architecture, and Create a National Integrated Coordination and Harmonization Unit for LMIS based on social dialogue principles and mechanisms;
 - d. To improve awareness and dissemination of LMI;
 - e. To elaborate a manual of concepts, definitions, terminologies and methodologies used for the LMIS
21. Member States could put in place National Integrated Coordination and Harmonization Units for LMIS grounded on the spirit of Social Dialogue. This structure will take up the task of coordinating our LMI system, intervening as a formal consultation mechanism on collect, analysis and dissemination of LMI that meet with the user's needs. It will involve the ministries in charge of education, vocational training, agriculture, informal economy/handicrafts, trade/commerce, civil servant, finance, etc). It is suggested that, where it exists, the National Inter Sectoral Follow-up Institution or the National Social Dialogue Structure plays the role of the Coordination and harmonization Unit of the LMI.

22. The coordinating Unit should be recognized by all the stakeholders with an accepted oversight function. It will proactively assume the leadership role and provide the broad strategic direction needed to manage and coordinate the country's overall LMI policy. It should work in reducing the fragmentation effect, for instance by playing roles as a clearing house for labour market research and studies undertaken by the key public and private stakeholders, thus being able to identify and fill the critical LMI gaps.

2. Regional Initiatives:

23. It is possible for the RECs to undertake actions with regard to the harmonization of Labour Market Information Systems:

- a. Collect and consolidate the national LMI analytical reports and draw up regional labour market factsheets and profiles. These data should be a permanent input to the statutory regional conferences of Ministers in charge of Labour and Employment, Finance and Economy, Education and Vocational Training, Agriculture, Youth, and Civil Service. It should be dispatched to the Regional Central Bank for incorporation in its analysis of the regional economic performance.
- b. Conduct exchanges/sharing activities, including through Facilitation/organization of a biennial meeting of Member States Experts of Labour Statistics; and Building regional Networks;
- c. Monitor and enhance Central Banks' roles, responsibilities and mechanisms in labour market information systems;
- d. Enhance capacity of the LMIS at regional and national levels.

3. AUC ROLES (Ref: Priority Area 6, Strategy iii and Action recommended vi)

- a. Setting up the institutional base to support the implementation of the Project, through establishment of a Steering Committee and Technical Working Group;
- b. Setting agreed indicators, targets and methodologies on employment and poverty at continental level, taking into account the 11 priority areas of the Ouagadougou 2004 Plan of Action and as tool for its follow-up, monitoring and evaluation mechanism; and include initiatives on employment creation and poverty alleviation as indicators in the NEPAD African Peer Review Mechanism;
- c. Taking stock and Coordinate the various initiatives by the RECs and Donors in view of promoting their alignment with the continental LMIS/HCF; and Review of LMI Policies and strategies at national and regional levels;
- d. Collecting, documenting and disseminating (including through ITC facilities) information from countries, UN Agencies, donor agencies, IGOs and NGOs;

- e. Commissioning interdisciplinary studies and research within the framework of a research programme, including coordinated research program on sectoral labour market of health care and education workforce;
- f. Developing advocacy activities, including towards the Pan African Parliament, the NEPAD Secretariat and the ECOSOCC;

4. Roles of International Partners

- a. Provide technical assistance and financial support to MS, RECs and the AUC for in their effort towards a harmonized and coordinated LMIS.
- b. They describe the expected outcomes and conditions for successful implementation of the activities to be carried out in concert during the period 2010-2012.

5. Technical Cooperation: Africa LMIS Expertise Platform

- 24. It is envisaged that a dynamic Technical Cooperation Platform (TCP) of African MS be created with advanced expertise in LMIS, which will be the engines of the project implementation (list of structures and experts, address, expertise portfolio). A survey will be conducted to identify the technical capacities of MS and the technical assistance needs of those MS who are in need of support. It is considered that, among other Member States, Mauritius, Ghana, Tunisia, South Africa, Mali, Nigeria will have advanced technical expertise to support other MS in improving their LMIS.

C: MINIMUM LIST OF LABOUR, EMPLOYMENT AND TVET INDICATORS, AND ACTION PLAN FOR THE REALIZATION OF A HARMONIZED LABOUR FORCE SURVEY

- 25. With the support of the UNDP-West Africa Regional Office in Dakar, the African Union Commission has prepared a Minimum List of Labour, Employment and TVET Indicators, as well as a Plan of Action for the production of harmonized labour statistics. The indicators, the dictionary of concepts and definitions, and the methodology aspects were worked out. It is proposed a list of 5 basic labour statistics, 19 Decent Work related indicators and 11 TVET indicators. For each indicator, information is provided on its relevance, definition, objective, computation method, required data, source of data, desegregation type, interpretation, quality standard and its limits.
- 26. The Action Plan for the Production of Harmonized Labour statistics entails (i) the adoption of the Minimum List of Labour, Employment and TVET Indicators; (ii) sensitization on interest of labour, employment and TVET statistics in employment, poverty alleviation and training policies; (iii) training of the actors on collect, treatment and dissemination of data; (iv) assistance in producing the LMI; (v) the organization and dissemination of the data at RECs' level; and (vi) ensuring sustainability of labour statistics production and establishment of Labour Market Information Systems. These axes were translated into a matrix of recommended actions with responsibilities and timeline.

IV. THE WAY FORWARD REGARDING THE ESTABLISHMENT OF LABOUR MARKET INFORMATION SYSTEMS IN AFRICA

- a.** Member States, the AUC and RECs are urged to implement the Labour Market Information Systems Harmonization and Coordination Project, with the support of international partners;
- b.** The AUC is to develop the Logical Framework of the Labour Market Information Systems Harmonization and Coordination Project, and seek resources for implementation; and
- c.** A harmonized Labour Force Survey should be conducted by 2013 under coordination of the AUC and RECs.