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ICTs for employment creation, productivity enhancement and poverty reduction in Africa

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Outline of Presentation

- Preamble
- Unbundling Poverty
- Study Methodology
- Employment, Decent Work Agenda & Poverty Reduction
- Some Global Trends
- The African Scenario
  - Some Ingredients for Success
  - Some Challenges & Opportunities
  - Selected Country Case Studies
  - Summary of Findings & Conclusions

Preamble

- ICTs vs Priority Development Needs
- Link between Employment & Poverty
- AU Extra-Ordinary Summit on Employment Creation (Ouagadougou - September 2004)
- Joint ITU/UNECA/ILO Study
- Acknowledgements

Unbundling Poverty

- Poverty as Material Deprivation or Social Exclusion (*per capita* income/expenditure)
- Basics: Food, Shelter, Health, Education…
- Measuring Poverty: ICT4D vs ICT4PVR
- Can’t Reduce Poverty without Employment
- Link between Output Growth & Employment /Access to Credit for (Petty) Trade
- Labour, Employment & Poverty Statistics
- The Decent Work Agenda & Labour Productivity
- Some of the Major Employment Sectors

An Attempt to Classify Poverty

- Survival (Absolute Poverty)
- Subsistence (Hand-to-Mouth)
- Subsistence Plus (Basics Met)
- Self Employment (1^{st} Rung of the Development Ladder)
- **Formal Employment (Poverty Exit)**
- **Cost Containment, Profit Margins, Wealth Creation (place of ICTs)**
- **Transformation & Transition**

Employment-to-Pop Ratio (/ 10)

Yr	9 0	9 1	9 2	9 3	9 4	9 5	9 6	9 7	9 8	9 9	0 0	0 1	0 2	0 3	0 4
Bf					8										
Eg	4	4					4		4	5		4	4		
Et					4					4					
Rw							8								
Ug								6						6	

Research Questions & Methodology

- ICT as an Enabler and/or a Sector
- Guidelines for Mainstreaming ICTs into PRSPs
- ICTs & Mitigation against Job Losses
- Sustainable Employment for Youth & Women
- What Jobs & Which Sub-sectors?
- Challenges & Opportunities
- Study Methodology

Decent Work Agenda & Poverty Reduction

- Decent Work & Labour Productivity
- Agricultural Productivity & Poverty
- Decent Work Agenda & MDGs
- Labour Productivity Trends
- Labour Productivity/Unemployment vs ICTs/Internet
- Importance of 'Sector' in Employment

'***reaching full and productive employment and decent work for all, including women and young people'*** – New Target under MDG-1 (2006)

Productivity as GDP/Jobs ('000)

Year	1980	1990	2000	Latest
S. Africa	12.6	10.7	9.6	10.1
Ghana	2.5	2.3	2.6	2.8
Ethiopia	1.3	1.2	1.3	1.3
Tanzania	1.2	1.1	1.1	1.2
China	2.5	3.7	6.8	8.4

Sectoral Share in Jobs (Agriculture)

Year	1997	2005	2007	Women
World	41.4	37.1	34.9	41.3
OECD	6.1	4.2	3.9	36.2
Asia/P	48.8	45.5	43.9	41.4
N/Africa	35.4	33.6	32.8	23.9
SSA	72.1	67.1	64.7	44.4

High-Impact Focus Areas

- Productivity in *High-Volume* Employment
- Productivity in *High-Value* Employment
- Enhanced Employment in Services Sector
- Some Suggested Focus Areas
  - Health/HIV-AIDS/Malaria
  - Agriculture/Food Security
  - Commerce/Wholesale Trading/SMEs
  - Transport & Communications
  - Manufacturing & Construction
  - Financial/Banking Sector
  - Public Service/Education

African Scenario: Some Critical Pre-requisites

- Policies, Regulations, Legislation ("Environment")
- People (Manpower – Technical, Economic, Managerial, Usage)
- Pipes (Affordable & Reliable Infrastructure)
- Content & Applications (e-Content)
- Finance & Appropriate Business Models
- Optimization, Quality & Standardization
- Partnerships/PPP/Devpt Partners/Academia
- e-Leadership is King!

Some Opportunities & Challenges for Africa

- ICTs and PRSPs/PEAPs/NEEDS
- Rural-Urban Migration/Huge Informal Urban Economy; Lack of Modernization
- Globalization & its Effects; Re-export (UG)
- Emergence of Cost-Effective Technologies
- Potential for PPPs; Weak Public/Private Sectors; Partnerships & Linkages
- Inter-country Migration & Place of Diaspora; Limited No. of Decent jobs
- Impact of Liberalization/Privatization

Selected Country Case-Studies

- Egypt
- Ethiopia
- Kenya
- Mozambique
- Nigeria
- Rwanda
- Uganda

Contribution of Agriculture (Selected Case-Study Countries)

Country	Et	Ke	Mz	Ng	Rw	Ug	Za	In
% of GDP	42	17	27	31	42	31	4.1	23
% of Labour force	80 ('06)	75 ('03)		70 (est)	79 ('06)	73 ('06)		

Egypt

- Solid ICT Infrastructure: Special Band-width Rates for Service Providers; Phenomenal Internet off-take
- Strong e-Learning programmes
- Incubators/Techno Park at 'Smart Village'
- Est. 200k direct jobs in ICT; 2k+ Firms
- Software Exports est. (2005) US$ 500m
- Developed Local Computer Assembly
- Telecom Sector fully liberalized
- Venture Capital Funds encouraged
- Govt major consumer of ICT; e-Services
- Several PC Ownership Schemes
- FDI, Gender Devpt & PVR still low, though

Kenya

- Improving ICT Infrastructure
- Large Pool of Skilled Human Capital
- Strong Work-ethic/Service-oriented Culture
- Strong Government push towards BPO
- IT Products zero-rated for tax
- Several Incubation initiatives
- Large, fast-growing economy (m-Pay, KACE)
- Safaricom 'Most-profitable' Company
- Est. 50,000 directly employed in ICTs
- Absence of under-sea cable handicap, being addressed
- Recent political upheaval a minus

Nigeria

- Africa's Most Populous Country; huge market – Investment US$ 8.5b (2006)
- Economy dependent on Petroleum products – but 70%+ pop. depend on Agriculture
- Good but costly Infrastructure despite SAT-3
- A sufficient pool of skilled human capital; massive capacity building programmes
- Proactive BPO Policy & Strategy
- Strong Local Computer Assembly
- Evolving e-Procurement for FedGovt; e-Services fast emerging

Nigeria (cont'd)

- Lagos (Otigba) Computer Hardware Cluster/'Ikeja Village' – 5k+ Enterprises (2005) – also Exports
- Local Software Industry est. US$ 150m (2005); Imports value 900m
- Nigerian 'Umbrella People'
- Business-friendly regulatory/legal environment
- Need Review Institutional Framework & stem governance challenges

Rwanda

- Reputed e-Leadership & good governance
- Kigali ICT Park/Gasabo; Incubator at KIST
- Multi-Lingual Capability; Franco & Anglo
- Disadvantaged in High Infrastructure Costs; yet one of the Poorest countries
- ICT Mainstreamed in EDPRS & Vision 2020
- Support 2 Local Firms/SmartGov/eRwanda
- About US$ 8m attracted in ICT FDI (2006)
- Limited Human Capacity; Strong Diaspora
- ... but Comprehensive Plans to stem challenges; e-Legislations underway
- Strong Institutional Framework
- Strong Partnerships/High Donor Rating

Summary & Conclusions

- Already ample evidence for ICT4D & ICT4PVR in Africa
- Mainstreaming ICTs in National Plans key
- Market-driven Agriculture need attention + SMEs
- BPO has great untapped potential
- Large-scale computer assembly/purchase/ re-export possible
- Software Industry
- e-Content/Applications /m-Services vital
- Targeted Capacity Development needed
- Prioritize & Rationalize ICTs at Regional/Sub-Regional Levels
- Harness the Place of the Diaspora
- Enhance management of ICT Statistics
- Fulfil the Pre-Requisites given earlier
- More Research needed