

SDG DECADE OF ACTION
TRADE UNION POLICY RESPONSES

**EXECUTIVE
SUMMARY**

SDGs FOR RECOVERY AND RESILIENCE

CASE STUDIES: KENYA AND SENEGAL

TIME FOR 

**THE CLOCK IS TICKING
FOR A NEW SOCIAL CONTRACT**



SDGs FOR RECOVERY AND RESILIENCE - CASE STUDIES: KENYA AND SENEGAL

Africa may have avoided the worst health consequences of the Covid-19 pandemic, but the immediate impact on the continent's economies was sharp and deep. Africa's Gross Domestic Product (GDP) contracted by 2.1 per cent in 2020, marking the continent's first recession in a quarter of a century. Rising commodity prices, the lifting of pandemic containment measures, and the recovery of global trade saw real GDP bounce back in 2021, to 4.5 per cent, with further growth of 4 per cent projected for 2022 and 2023. Nevertheless, the pandemic also left the continent with surging price inflation, an increased debt burden (Africa's fiscal deficit doubled in 2020 to a historic high of 8.4 per cent of GDP), increased current account deficits, a decline in foreign direct investment, and a drop in overall remittances to the continent.

On the labour front, decent work has also been negatively impacted, particularly for women workers, young people, and those in the informal economy. In 2020, some four million jobs were lost, while an additional 2.1 million people left the labour force. The pandemic also reversed the gains made in eliminating poverty; the number of people classified as 'extremely poor' increased on the continent by 14 million in 2020 and 20 million in 2021, according to the World Bank.

Goal 8 of the Sustainable Development Goals (SDGs) provides the necessary framework to address the social and economic challenges brought about by the pandemic. By focusing on achieving sustained economic growth, higher productivity and development-oriented policies that enhance productive activities, as well as discouraging environmentally damaging modes of production, while promoting formalisation, full employment and decent work for all, SDG 8 can ensure a human-centred recovery and resilience in the wake of the pandemic. Despite this, there has been very little progress made on SDG 8 in Africa. According to the International Trade Union Confederation's (ITUC) SDG 8 Global Monitor, Africa has the worst SDG 8 Composite indicator rating in the world, with Sub-Saharan Africa scoring 86.93 and Northern Africa of 87.53 – both of which are below the world average of 100.

CASE STUDY: KENYA

Like the rest of the continent, Kenya's SDG record has been poor. On the ITUC SDG 8 Global Monitor, Kenya scored 94.54, reflecting the high levels of inequality and lack of decent work that characterises its economy. Meanwhile, the economic impact of Covid-19 in Kenya has been significant. The economy contracted by 0.3 per cent in 2020, resulting in a widening of Kenya's fiscal deficit. One in five businesses laid off workers, while about 8 per cent of firms reduced wages. An additional two million Kenyans were plunged into poverty. In response to the pandemic, the Kenyan government introduced a tranche of measures, including: a KSh54 billion (US\$506.3 million) stimulus package, representing 0.5 per cent of Kenya's GDP; KSh10 billion (US\$93.7 million) invested into youth work programmes; KSh10 billion (US\$84 billion) of secured cash transfers to the elderly, orphans, and other vulnerable populations; and new investments into digital technologies, as well as environmental, green economy and just transition measures.

While social dialogue featured in the Kenyan government's Covid response, the trade union assessment of it is mixed. On the plus side, a multi-stakeholder Working Group on Just Transition and Engagement, which included the national centre COTU, provided input on how to bring just transition issues to the forefront of discussions on post-Covid-19 recovery efforts. Social partners also discussed and submitted a report to the National Covid-19 Economic and Business Response Working Group, which resulted in a Memorandum of Understanding covering the protection and promotion of enterprises, the protection of jobs, and workers' health and safety. However, union participation in the design and implementation of the government's Covid response measures was limited.

COUNTRY CASE: SENEGAL

Like most other countries on the continent, the pandemic pulled the handbrake on years of economic growth in Senegal. After recording real GDP growth of 6.7 per cent in 2018 and 5.3 per cent in 2019, the Senegalese economy went into recession in 2020, contracting by 0.7 per cent. As growth slowed, unemployment increased; according to the IMF, some 85 per cent of households and 90 per cent of informal economic units experienced income losses due to the pandemic, while an additional 600,000 people were pushed into poverty in the second quarter of 2020 alone. To help mitigate the negative effects of the Covid-19 fallout, the Senegalese government introduced an Economic and Social Resilience Programme (ESRP), also known as FORCE Covid-19. Measures introduced under the programme's umbrella include a CFA150 billion (US\$69 billion) emergency youth employment programme which aimed to create 35,000 jobs, cash transfers of CFA200,000 (US\$92,000) to 10,000 households engaged in small-scale farming, and about US\$30 million (CFA15.5 billion) in utility bill relief, which was used to cover the electricity and water bills of almost one million households.

Senegalese trade unions consider the inclusion of social dialogue in the government's Covid-19 response to have been significant: the monitoring of the implementation of FORCE Covid-19 included key stakeholders, while the High Council for Social Dialogue advocated for the cushioning of impacts of the pandemic on informal economy workers and enterprises. However, trade unions have lamented the limited reach of the various Covid-19 support measures, particularly with regards to health and safety protocols.

CONCLUSIONS AND RECOMMENDATIONS

FOR GOVERNMENTS: The impact of Covid-19 in Africa, as exemplified by the Kenya and Senegal case studies, can be characterised by job losses, falling household income, soaring inflation and towering poverty rates, as well as earnest but limited and short-term support for households and businesses. Countries should model their Covid-19 support and recovery processes around the framework provided by SDG 8 and the 2030 Agenda. This means prioritising policies and programmes that increase economic growth and create decent and productive employment. Countries should scale up investments in decent climate-friendly jobs and scale down harmful investments in extractive industries that degrade natural resources. Economic policies for recovery should focus on supporting the micro-, small- and medium-sized enterprises that dominate African economies, while moving forward, investment in the care economy, digitalisation, vocational training, and lifelong education will be critical to guaranteeing decent, climate-friendly work that can lift millions of workers out of informality and poverty. Countries must also invest in universal social protection and sustainable health systems to build resilience against future crises. More investment in social dialogue is needed, and any special measures, which curtailed workers' rights in the context of the pandemic, must be immediately reversed. Finally, recovery policies should explicitly address the climate emergency to tap into the transformative potential of a just transition with green investment.

FOR INTERNATIONAL COOPERATION DONORS: Given the lack of resources and the scale of the challenge facing African countries, development aid urgently needs to be scaled up to reach 0.7 per cent of donors' Gross National Income. Domestic resource mobilisation must be strongly supported through progressive taxation and measures to stop the draining of African economies, such as international cooperation to fight tax avoidance, profit shifting and illicit financial flows. Debt restructuring and cancellation for countries most in need should be intrinsic to support measures, while a Global Social Protection Fund is needed to support a proper social protection system in Africa's poorest countries. This will require the mobilisation of increased Official Development Assistance for social protection, to reach 7 per cent of donors' aid budgets by 2030 and 14 per cent beyond, as well as the effective implementation of the UN Global Accelerator on Jobs and Social Protection for Just Transitions.

NEW SOCIAL CONTRACT: Six workers' demands for recovery and resilience

- 1. Creation of decent and climate-friendly jobs with Just Transition.** Job-creating industrial transformation to achieve net-zero carbon emissions, along with decent jobs in health, care, education and other quality public services.
- 2. Rights for all workers,** regardless of their employment arrangements, to fulfill the promise of the ILO Centenary Declaration with its labour protection floor including rights, maximum working hours, living minimum wages and health and safety at work.
- 3. Minimum living wages and equal pay policies** by enforcing statutory minimum wages that guarantee dignity for all workers and their families, and putting forwards equal pay policies to guarantee equal pay for work of equal value.
- 4. Universal social protection,** including the establishment of a Social Protection Fund for the least wealthy countries.
- 5. Equality. Ending all discrimination,** such as by race or gender, through inclusive labour market policies, redistributive public policies and collective bargaining.
- 6. Inclusion.** Ensuring a truly inclusive multilateral system, engaged in redressing the current imbalance of power and wealth, and where developing countries have the policy space to define their developmental models and use social dialogue as a key means of implementation of the 2030 Agenda.

The full report can be found at:

<https://www.ituc-csi.org/sdgs-for-recovery-and-resilience-in-africa-2022>



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