African Jobless Growth Morphology:Vulnerabilities and Policy Responses

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AFRICAN JOBLESS GROWTH MORPHOLOGY: VULNERABILITIES AND POLICY RESPONSES

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1.0 INTRODUCTION

"People are the real wealth of a nation and the basic objective of development is to create an enabling environment for people to live long healthy and creative lives: this may appear to be a simple truth that is often forgotten"

[UNDPHDR, 1990]

Nothing evokes the misery of mass unemployment more than the photographs of the depression. Clearly, you can see it in the dawn faces of the men, in their shabby clothes as well as in their eyes. In fact, as the world struggles to emerge from the global crises, some two hundred million people are unemployed. Yet, jobs are instrumental to achieving economic and social development. Beyond their critical importance for individual well-being, they lie at the heart of many broader societal objectives, such as poverty reduction, economy wide productivity growth and social cohesion. Thus, the development pay offs from jobs include acquiring skills, empowering women and stabilizing post-conflict societies. In otherworld, jobs that contribute to these broader goals are valuable not only for those who hold them but for society as a whole. That is they are good jobs of development. However, demographic shifts, technological progress and the lasting effects of the international financial crises are reshaping the employment landscape in countries around the world. On one hand, countries that successfully adapt to these changes and meet their job challenges can achieve dramatic gains in living standards, productivity growth as well as mort cohesive societies. On the other hand, those that do not will miss out on the transformational effects of economic and social development. Indeed,

jobs are transformational and they can transform what we earn, what we do, and even who we are. Then, no surprise that jobs are at the top of development agenda every where.

However, it is important to note that some jobs do more for development while others may do little (even if they are appealing to individuals). Yet, which jobs have the greatest development payoffs depends on the prevailing circumstances. Obviously, countries differ in their level of development, demography, endowments and institutions. Specifically, agrarian societies face the challenge of making agricultural jobs more productive and creating job opportunities outside farms. In contrast, resource rich countries need to diversify their exports so that jobs are connected to global markets rather than supported through government transfers. And yet, formalizing countries need to design their social protection systems in ways that extend their coverage without penalizing employment. Generally, good jobs are those that provide greater well-being to the people who hold them. But good jobs for development are those with the highest value for society and understanding these wider payoffs to jobs has shaped recent development thinking. Consequently, spillovers from jobs can be identified across all three transformations as shown in figure 1.1 (World Bank, 2013). As shown, some directly affect the earnings of other (as when a job is supported through government transfers) or restrictive regulations that reduce employment opportunities for others. Yet, other spillovers take place through interactions or when job allocation contributes to common goals (such as poverty reduction, environmental protection or fairness).

Conventionally, it is ideal to focus on growth as a precondition for continued increases in living standards and strengthened social cohesion. But lags and gaps among the three transformations of living standards, productivity and social cohesion are not uncommon. Thus, the impact of growth on poverty reduction varies considerable across countries and regions. Yet, in some cases, growth is not accompanied by increased social cohesion, even though poverty may fall and living standards improve for some, the expectations of others remain unfulfilled. Again, the employment intensity of different sectors and fairness in access to employment opportunities matter as well. Therefore it is job that brings together the three transformations perhaps, trade offs among improving living standards, accelerating productivity growth and fostering social cohesion reflect a measurement problem that is more than a real choice. Clearly, if growth indicators captured the intangible social benefits from jobs from lower poverty to greater social cohesion) then, a growth strategy and job strategy would be equivalent. But a growth strategy may not pay enough attention to female employment (or to employment in secondary cities) or to idleness among youth. Thus, when potentially important spillovers from jobs are not realized, a jobs strategy may provide more useful insights.

FIGURE 1.1 TRANSFORMATIONAL JOBS: DEVELOPMENT EFFECTS

JOBS ⇄

S/N	LIVING STANDARDS	PRODUCTIVITY	SOCIAL COHESION
1.	Jobs for the poor	Jobs in functional cities	Jobs that give sense of fairness
2.	Jobs that empower women	Jobs connected to global markets	Jobs that link to networks
3.	Jobs that do not shift burden to others	Jobs that are environmentally benign	Jobs that shape social identity

⇄ DEVELOPMENT

Critically, for most Africa households (poor and prosperous alike) income from work is the main determinant of their living conditions. Thus, the economic objectives of these households are similar. That is, families seek to meet their basic needs, improve their standards of living, and manage the risks they face in an uncertain world as well as expanding opportunities for their children. Yet, the opportunities to achieve these objectives through work vary substantially across African regions at different stages of development. In other words, households supply labor, employer's demand it and this interaction along with self-employment and household production yields the employment and wage outcomes as observed in any Africa economy. **Unfortunately, many who want work cannot find it.** Indeed, this unemployment takes many forms which involve human cost. Yet, the causes of unemployment are complex and often and unrelated to the level of development. But development does have an important impact on how unemployment manifests itself. Notably, African youths encounter severe roadblocks. Some go to work too early, others cannot enter the work force while others get stuck in low productivity work. In other words, poverty and non-inclusive economic growth can exacerbate poor youth outcomes such as child labor, school dropout rates and joblessness in Africa.

Regrettably, almost half of all workers in Africa countries are engaged in small – scale farming or self-employment. Typically, there are jobs that do not come with a steady paycheck and benefits. Here, the problem for most poor people in these countries is not the lack of a job or few hours of work. Basically, many hold more than on job and

work long hours. Yet, t**hey are not earning enough to secure a better future for themselves and their children.** At times, they are also working in **unsafe conditions without basic rights protection.** Consequently, this paper intends to tackle some of the most pressing questions that African policy makers are asking right now: should African countries design their development strategies around growth or focus on jobs and are their situations where the focus should be on protecting jobs rather than protecting workers? The rest of this paper is divided into eight sections. Section two examines African growth performances. Labor market literature is reviewed in section three. Section four presents African job challenges while Driving KICTS (knowledge, information and communication technologies) is the theme of section five. Innovative institutions are presented in section six while section seven discuses the enabling infrastructures. Policy Reforms are highlighted in section eight while section nine concludes the paper.

2.0 **AFFRICA N GROWTH PERFORMANC**

As the sound largest of the earth's seven continents (covering about 30,330,000 SQKM) Africa is very rich in mineral resources (possessing must of the known mineral types of the world) many of which are found in significant quantities, although with uneven geographic distribution. At independence, Africans had high hopes of rapid development. In fact, new energies were released by the ending colonialism while African leaders were determined that their countries would catch up with the developed world. In 1961, overall economic growth in sub-Saharan Africa averaged 3.4 percent and the pace quickened after 1967. But as the 1970s advanced, countries began to stumble and by the 1980s, output was actually dealing (World Bank, 1989). Excluding oil economies, aggregate annual growth initially rose but generally declined in the late 1970s and 1980s. Clearly, these variation in country experience reflected the rich diversity in sub-Saharan Africa and even within countries, there are often large differences during this period, Africa's generally poor performance were reflected in weak growth in the productive sectors, poor export performance, mounting debt, deteriorating social conditions,

environmental degradation as well as increasing decay of institution capacity.

During this period and general aggregate economic performance in sub-Saharan Africa remained unsatisfactory. Indeed, both Domestic and external factors contributed to the disappointing overall performance again, the external environment (characterized by sharp declines in world commodity prices and substantial losses in the terms of trade) has been generally unfavorable. For many countries, the effects of this adverse external development were compounded by unfavorable weather. Virtually, all countries in the region were confronted with deep-rooted developmental constraints (rapid population growth, low human capital development and inadequate infrastructure) which constituted major impediments to private sector development and the supply response of the economies. In addition, ethnic conflicts, political instability, adverse security conditions and protracted civil wars aggravated the economic performance of several countries. Similarly, governance concerns were compounded by the legacy of repressive regimes in several countries; by ineffective judicial systems as well as by complex administrative (institutional) frameworks. Here, inappropriate economic policies also contributed to the observed weak aggregate economic performance.

Notably, in the period prior to the start of the adjustment programs, many countries were experiencing widespread inefficiencies in resource use due to import restrictions (import quotas and tariffs). High commodity export taxes; administered interest rates and foreign exchange controls. Again inappropriate policies which resulted in relative price distortions in most of the key sectors adversely affected economic

incentives and production. Surely, these price distortions combined with the severe external shocks of the 1970s / 80s (declining terms of trade, drying up of foreign capital inflows and rising world interest rates) weakened many economics of sub- Saharan Africa (Elbadawi, Ghura and Uwujaren, 1992; Gura and Hadijimichael, 1996). In other words, consequently, the failure of many countries throughout the 1970s and early 1980s to accommodate the adverse effects of negative external shocks compounded the negative impact of these shocks. Clearly, as at early 1980s, it became obvious that most of the adverse external shocks were of a long term nature and that countries must have to adjust. Hence, as at that time, many counties realized the urgent need for economic policy reforms to address to their short- term balance of payment crises as well as medium to long term productivity improvements. Thus, the word bank structural adjustments programs were designed to enable countries reform their policies in order to boost the structure of incentives and raise the profitability of the various sectors without unduly high reductions in consumption per capita during the initial stages of the programs. And as at the end of 1989, twenty-eight Africa countries had active adjustment programs as well as twenty-seven other program (World Bank, 1991-

Even though many Africa countries vigorously pushed through their adjustment programmer's economic growth declined from 3.02 per cent in 1985/90to 1.45 percent in 1991/95. In contrast, per capita real G D P improved marginally in 1985/90 by 0.23 percent but declined by 0.89 percent in 1991/95(World Bank, 2011; U N E C A, 2012). The observed minimal improvement in growth also reflected in sluggish sectoral performance. Here agricultural value added (as a proportion of G D P

improved slightly (1985-1990) to 30.5 percent but reclined thereafter to 28.9 percent (1991-1995). Similarly the share of manufacturing in G D P improved slightly to 12.0 percent (1985- 1990) but fell to 11.6 percent (1991- 1993). Again, poses to trade rose and was more pronounced on the import side. On the other hand, Africa growth drivers remained primary production and export since many depended on the export of primary commodities.

Consequently critics have argued that adjustment programmers placed Africa on a slow-growth path. Undermined efforts to the diversity economically and eroded the continent's industrial base. Furthermore, United Nations agencies criticized adjustment programs for their neglect of the human dimensions and elements. In fact, by the end of the 1990s, the international financial institutions started to reconsider their approaches (given many countries poor performance under the adjustment programs and worsening poverty). Eventually, a joint initiative (poverty Reduction Strategy paper) launched by these financial institutions (in 1999) set the fight against poverty at the heart of growth and development policies. In the same way, the United Nations System was setting the millennium Development Goals (MDG) targets at levels that balanced ambition with feasibility. However, since the second half of the 1990s (following almost two decades of stagnation and decline) growth slightly improved in Africa. Table (2.1) shows the comparative growth performance of African economies in the recent years.

Here, gross domestic product (GDP) is the gross value added (at purchasers' prices) by all resident producers in the economy plus any taxes and minus any subsidies not included in the value of the products. Operationally, it is calculated without deduction for the depreciation of

fabricated assets or for the depletion or degradation of natural resources. On the other hand, value added is the net output of an industry after adding up all outputs and subtracting intermediate inputs. Notably, the industrial origin of value added is determined by international standard industrial classification (I S I C. on the other hand, gross domestic product average annual growth rate is calculated from constant price G D P date in local currency. Again, agricultural productivity is the ratio of agricultural value added measured in 2000 united states dwellers) to the number of worker in agriculture. In fact, agricultural productivity is measured by value added includes that of forestry and fishing. The living standard of the working poor is the share of total employment represented by workers who are members of household living in extreme poverty (in percent). Here, household living in extreme poverty are identified on the basis of poverty rates computed from the international poverty line of1.25 US & PPP per day 2005 prices. However, the use of the international poverty line means that figures are not necessarily comparable to estimates generated using poverty lines.

Since the beginning of the twenty- first century, Africa's impressive growth and its economics ability to weather the storm of global financial crisis as well as it resumption of growth (as shown in table 2.1) suggest that Africa may be an emerging economics power (ceteris paribus). In fact, most Africa development partners have concluded that the world needs a new dynamo which can be Africa. In other words, it is anticipated that future growth in the world economy may depend on harnessing both the productive potential and the untapped consumer

demand of the continent. Again most development organization has under lined the potential of Africa as a global growth pole.

COMPARATIVE ECONOMIC GROWTH PERFORMANCE AFRICAN DATA

S/N	COUNTIES	GROSS DOMESTIC PRODUCTION (GDP) 2009	GDP AVERAGE ANNUA % GROWTH 2001-2009	AGRIC PRODUCTIVITY VALUE ADDED PERWORKING (2000$)1990-92	AGRIC PRODUCTIVITY VALUE ADDED PERWORKING (2000$)2005-07	WORKING POOR %< $ 1.25PPP 1995	WORKING POOR %< $ 1.25PPP 2005	WORKING POOR %< $ 1.25 PP 2010
1.	ALGERIA (NA)	140,577	4.0	1,823	2232	_____	____	____
2.	ANGOLA (CA)	69,067	13.1	176	222	_____	___	____
3.	BENIN (WA)	6,656	4.0	429	661	_____	47.0	____
4.	BOTSWANA (SA)	_____	_____	_____	_____	_____	____	____
5.	BURKINA FASO (WA)	8,141	5.4	126	182	71.0	57.0	____
6.	BURUNDI (EA)	1,325	3.0	117	70	86.0		
7.	CAMEROON(CA)	21,837	3.4	409	703	_____	10.0	____
8.	CAPEVERDE(WA)	_____	_____	_____	____	_____	____	____
9.	CENTRAL AFEICA REP (CA)	2,006	0.8	322	404	_____	62.0	___

10	CHAD (WA)	6,680	10.4	209	___	____	___	___
11	COMOROSI(EA)	_____	____	___	____	____	___	___
12	CONGO(CA)	8,695	4.0	____	____	____	____	___
13	CONGO DEM REP (CA)	10,779	5.2	209	162	____	___	___
14	COTE D' IVOIRE (WA)	23,042	0.8	652	875	_____	___	___
15	DJIBOUTI (EA)	____	____	____	___	____	___	___
16	EGYPT(WA)	18,8334	4.9	1826	2758	____	2.0	___ _
17	EQUATORIAL GUINEA (CA)	_____	_____	_____	_____	_____	____	___ _
18	ERITREA(EA)	1,654	1.3	_____	118	_____	___	___ _
19	ETHIOPIA (EA)	28,537	8.5	_____	187	_____	61.0	___ _
20	GABON (CA)	_____	_____	_____	____	_____	5.0	___
21	GAMBIA (WA)	_____	_____	_____	_____	_____	66.0	___ _
22	GHANA(WA)	15,619	5.6	352	388	_____	39.0	___
23	GUINEA(WA)	4,103	2.5	156	311	____	___	___
24	GUINEA BISSAU (WA)	_____	_____	_____	____	_____	____	___ _
25	KENYA (EA)	30,200	4.4	379	367	_____	43.0	___ _
26	LESOYA (EA)	_____	_____	_____	____	_____	____	___ _
27	LIBERIA (WA)	876	0.0	_____	_____	_____	84.0	___ _
28	LIBYAN ARAD (WA)	-	-	-	-	-	-	-
29	MADAGASGAR (EA)	9,052	3.9	210	182	72	___	___ _
30	MALAWI	4,975	4.9	86	126	_____	____	___

	(EA)							
31	MALI(WA)	8,996	5.3	405	515	_____	86.0	____
31	MAURHANIA(WA)	3,031	4.7	671	414	____	____	____
33	MAURHIUS(EA)	_____	_____	_____	_____	_____	____	____
34	MAYOTE (EA)	_____	_____	_____	____	_____	____	____
35	MOROCCO(NA)	90.859	5.0	1788	2306	_____	____	____
36	MOZAMBIQUE(EA)	9,790	7.9	117	174	_____	____	____
37	NAMIBIA (SA)	____	_____	_____	_____	49.0	____	____
38	NIGER(WA)	5,384	4.4	242	____	_____	____	____
39	NIGERIA (WA)	16,8994	6.4	_____	_____	_____	____	____
40	REUNION (EA)	_____	_____	_____	_____	_____	___	____
41	RWANDA (EA)	5,064	6.8	193	215	_____	____	____
42	SAINT HELEN (WA)	_____	_____	_____	_____	_____	____	____
43	SAOTOME PRINCIPE (CA)	_____	_____	_____	_____	_____	____	____
44	SENEGAL	13,O59	4.2	251	223	_____	34.0	____
45	SEYCHEUES(EA)	_____	_____	_____	_____	_____	____	____
46	SIERRA LEONE (WA)	1,42	9.5	_____	_____	_____	53.0	____
47	SOMALIA (EA)	_____	_____	_____	_____	_____	____	____
48	SOUTH AFRICA (SA)	28,983	4.1	2149	3149	_____	____	____
49	SUDAN(NA)	54,77	7.3	526	844	_____	____	____
50	SOUTH SUDAN (NA)	_____	_____	_____	_____	_____	____	____
51	SWAZILA	_____	_____	_____	_____	_____	79.0	___

	ND(SA)							
52	TANZANIA(EA)	21,623	6.8	261	324	_____	____	____
53	TOGO (WA)	2,855	2.5	345	394	_____	39.0	____
54	TUNISIA(NA)	39,561	4.9	2,975	3,424	_____	____	____
55	UGANDA(EA)	15,736	7.5	175	191	_____	___	____
56	WESTERN SAHARA (NA)	_____	_____	_____	_____	_____	____	____
57	ZAMBIA (EA)	12,748	5.4	189	227	56.0	65.0	____
58	ZIMBABWE(EA)	_____	-5.7	271	239	____	___	____
59	OCEANIA: AUSTRALIA	924,843	3.3	20,676	30,830	0.0	0.0	0.0
60	ASIA:JAPAN	5,067,526	1.1	20,350	41,492	0.0	0.0	0.0
61	EUROPE: BRITAIN	2,174,530	1.9	21,236	27,450	0.0	0.0	0.0
62	AMERICA: UNITED STATES	14,256,300	2.1	20,353	45,285	0.0	0.0	0.0

Here, growth pole may be defined as an economy that accounts for a significant proportion of global economic activity whose growth has sufficiently large forward and backward linkages as well as technological and knowledge spillovers in so many other economies (other production, trade, finance and migration as to have an impact on global growth. Indeed, for Africa to be a global growth pole, its economy should be large and its growth high and sustained for a reasonable long period.

And yet, the size and consistency of growth required for significant poverty reduction have not been fully realized. Strictly, Africa on average needed to grow at about seven per cent for countries to halve the proportion of people living below the poverty line (between 1998 and 2015). But, for the years 2000 – 2010, average growth (aggregate and

per capital) fell short of the required rate in each Africa sub-region as shown in table 2.2 (UNECA, 1999: world Bank, 2011: United Nations, 2012). Unfortunately due to over- dependence on primary commodities, growth in Africa (over the past decade) has been non-inclusive and volatile. Indisputably, high population growth seriously weakens the link between economic growth and poverty of vital public services (particularly education and health) by exacerbating the huge pressures on public speeding that Africa faces. Therefore, addressing high population growth is fundamental to raising Africa's low human capital as well as securing faster poverty reduction. But poverty itself adds to population growth because poverty and its determinants tend to perpetuate high fertility. Thus, reducing the continent's high population growth may be important to addressing poverty in the region.

Regrettably, most Africa countries still rely heavily on extractive sector for export (such as solid minerals and fuel) and there sectors have only weak connections to the under economy. In other words, they lack forward and backward linkages to sectors where the poor are employed.

Notably, high mineral and fuel – commodity prices have driven growth in many of the Africa countries that have recorded the fastest growth in recent times.

AFRICA REGIONAL GDP GROWTH RATES: AGTUAL VS REQUIRED

S/N	SUBREGIONAL AFRICA	PER CAPITAL REQUIRED (%)	PER CAPITAL GROWTH ACTUAL 2000-2010	AGGREGATE GROWTH REQUIRED (%)	AGGREGATE GROWTH ACTUAL 2000 – 2010(%)
1	NORTH AFRICA	3.60	3.09	5.60	4.91
2	WEST AFRICA	4.71	2.66	7.61	5.31
3	CENTRAL AFRICA	3.90	2.15	6.70	4.67
4	EAST AFRICA	5.40	2.89	8.12	5.72
5	SOUTHERN AFRICA	3.80	2.58	6.20	4.58

However, rural area's limited access to modern infrastructure (roads, electricity and telecommunications network) has also reduced the potential contribution of growth. In other words, lacking adequate access to physical and social infrastructure might be a major impediment to reducing poverty and inequality in the Africa region.

3.0 LABOUR MARKET LITERATURE

Indeed, for the last fifty years, a great deal of knowledge has accumulated about labor market in low income countries. Here, a polar view of labor markets in developing countries was that such market are riddled with imperfections and operate quite distinctly from those in high – income countries. Yet, an alternative view was that labor markets in low- income countries conform more closely to marshalling market than do such markets in high-income countries. Now, there appears to be important element of truth in both views, although the influence of problems in other markets (principally inter temporal markets) on labor arrangement is understated in both perspectives (Rosenzweig, 1988). In general, household supply labor, employers demand it and this interaction along with self employment and household production yields the observed employment and wage outcome. However, in low-

income countries, informal and formal employment usually absorbs the entire labor force (especially in rural areas). Yet, in almost all countries, there is underutilization of human resources (people who want to work can not find as much work as they would like). For example, in poorer (rural) areas, this mainly takes the form of seasonal underemployment. On the other hand, in urban areas, one manifestation is that of the discouraged worker (who has given up searching for work).

Thus, at any point in time, there is a given number (or pool) of unemployed people as well as flows in and out of the unemployment pool. Therefore, a person may become unemployed for any of the following reasons:

I. He or she may be a new entrant into the labor force (some one looking for work for the first time) or else be a reentrant (some one returning to the labor force weeks:

II. A person may quit a job in order to look for other employment and register as unemployed while searching.

III. The person may be laid off, that is, a suspension with out pay lasting or expected to last more than seven consecutive days (initiated by the employer) without prejudice to the worker:

IV. A worker may lose a job to which there is no hope of returning, either because of being fired or because the firm closes down and this last way of becoming unemployed is referred to as involuntary quits (job loss)

However, these sources of inflow into the pool of unemployment have a counterpart in the outflow from the unemployment pool. Essentially, three ways of moving out of the pool of unemployment exists:

I. A person may be hired into a new job;

II. Some one laid off may be recalled

III. The unemployed may stop looking for a job and therefore leave the labor force. Although such a person may plan to look for job much latter.

Yet, another way of looking at flows in and out of unemployment is to consider the duration of spells of unemployment. Conventionally, a spell of unemployment is defined as a period in which an individual remains continuously unemployed. In other words, the duration of unemployment is the average length of time a person remains unemployed. That is, given the unemployment rate, the shorter the duration of unemployment (the time the individual is unemployed) the larder the flows. Indeed, the duration of unemployment differs across groups in the labor force, lengthening particularly with age. Here, spells of unemployment are more likely to end in withdrawal from the labor force among young males than among older males while this difference does not exist between younger and older females. Despite the greater movement of young workers among jobs, unemployment, and being out of the labor force, a significant part of teenage unemployment is accounted for by long term unemployment (just as it is for older workers). In general, open unemployment can be driven by labor supply or labor demand. It can reflect a worker's decision to reject the jobs on offer and wait for a better one. It can also be s sign of mistaken expectations or can result from policy failures or rigidities that reduce labor demand relative to supply.

Unemployment is often subdivided by type or causes. Here, frictional unemployment results from the normal operation of markets,

that is typically of short duration as well as part of the process of workers looking for the right jobs and employers for the right workers. On the other hand, cyclical unemployment results from fluctuation in aggregate demand which is sometimes widespread and severe that is usually temporary clearly, such unemployment can result in an increase in long-term unemployment if the unemployed find it difficult to re-enter the work force as soon as growth resumes. Similarly, structural unemployment is associated with economic stagnation, malfunctioning labor markets or policy failures. Typically, it is of longer duration and its elimination requires not only a recovery of aggregate but the eradication of rigid wage and employment practices as well as workers skills up grading. Empirically, most reported unemployment rates refer to the standard recommended by the international labor organization (World Bank, 1995). That is, persons above a specified age who during the reference period are without work, currently available for work and seeking work. In other words, the unemployed usually account for a relatively small percentage of the working – age population. However, more comprehensive measures of labor underutilization come closer to capturing the true extent of idle labor time. Clearly, such measures include discouraged worker and that is, those who are not working and would like to(but have given up looking because of lack of opportunities yet, another group not counted as unemployed consists of those who work less than full – time (not because they choose to but because more work is unavailable). In fact, this group may include those who remain formally fully employed but who no longer report to work or who have been placed on indefinite unpaid leave. And because the "availability of work is partly subjective, praise estimates of the size of these groups are

usually difficult. However, when estimates of discouraged and underemployed workers are added to the counted unemployed, the measured underutilization of labor might rise significantly.

Indeed, a critical question for economic policy is to know when the economy is at full employment in other words, should policy makers faced with a certain percentage unemployment rate try to sustain demand growth above trend to push unemployment down? Consequently, the determinants of the natural rate of unemployment (u*) or structural rate of unemployment can be thought of in terms of the duration and frequency of unemployment (Dom Busch and Fischer, 1990). Here, the duration of unemployment (average length of time a person remains unemployed) depends on cyclical factors as well as structural characteristics of the labor market that comprises the following.

(a) The labor market organization (inclusive of the presence or absence of employment agencies, youth employment services etc.

(b) The demographic make up of the labor force;

(c) The availability of unemployment benefits.

Perhaps, a person may quit a job in order to have more time to look for a new and better job. This kind of unemployment is often referred to as search unemployment. Here, if there no unemployment benefits, an unemployed person may accept a job after than to continue looking for a better one. On the other hand, the higher unemployment benefits are, the less costly is searching compared to continued work. Again, a worker who has been laid off typically returns to the original job and does not search for another job. In other words, such an individual could not expect to find as good a job if he or she search for a new one.

Therefore, the best course of action may be to wait to be recalled (particularly) if the individual is eligible for unemployment benefits while waiting.

Critically, the frequency of unemployment is the average number of times (per period) that workers become unemployed. Basically, there are two determinants of the frequency of unemployment; variability of the demand for labor across different firms in the economy and the rate at which new worker enter the labor force. Thus, the more rapidly new workers enter the labor force (the faster the growth rate of the labor force) the higher the natural rate of unemployment. Clearly, the basic determinants of the natural rate of unemployment are the four factors affecting duration as well as two factors affecting frequency of unemployment. However, the factors determining the level of the natural rate of unemployment are not immutable. Here, the structure of the labor market and the labor force can change. That is, the willingness of workers to remain unemployed while looking for (or waiting for) a new job can change. In the same way, the variability of the demand for labor by differing firms can shift.

Regrettably, the costs of unemployment are so obvious to seem super fulvous. In fact, the society on the whole loses from unemployment because total output is below its potential level. Again, the unemployed as individuals suffer both from their income loss while unemployed and from the low level of self-esteem that long periods of unemployed people stop working, they lose for themselves only the net-of tax wage they have been receiving, but society also loses the taxes they have been paying. In fact, the unemployed value their leisure at the net- of tax wage, and that value is smaller than the value of their

marginal product for society as a whole. Therefore, the value of increased leisure provides only a partial offset to the Okun's law estimate of the cost of cyclical unemployment. Here, the Okun's law estimate implicitly includes the individuals own loss of income. That is, the estimation of the total loss of output to the economy as a whole as a result of the reduction of employment. In principle, this loss could be distributed among different people in the economy many different ways. However, the effects of an increase in unemployment are borne heavily by the unemployed themselves. Thus, there is an extra cost to society of unemployment that is very difficult to quantify. Critically, the cost arises from the uneven distribution of the burden of across the population. Unfortunately, unemployment tends to be concentrated among the poor and that makes the distribution aspect of unemployment a serious matter. Obviously, this is not what can be easily quantified but should not be over looked. Furthermore, the adverse psychological effects of unemployment (though not easy to quantify) should not be totally ignored.

4.0 AFRICAN JOB CHALLENGES

Indeed, the job challenge facing the African economies is multi-faceted, ranging from improved aspect of the work people do (to supporting the reallocation of people to better jobs) to creating jobs for those who want force grows by about eight million people every year. Again, structural and technological changes are moving people from rural areas to cities. And in the fifteen years, half of the population in African countries will reside in urban areas which are the result of a migration that factory or the street (World Bank, 2013). Generally, the observed rural- urban shift improves individual well-being especially for those who find wage employment. However, worker's share of global income may be declining. Perhaps, this may be a pattern attributed in part to globalization and technological change. Yet, as the world changes, so do jobs. And despite improvement in worker education levels,

many firms report that they have difficulty finding the skilled workers they seek. Therefore, part time temporary work appears to be increasing.

Clearly, self – employment and farming represent almost half of the jobs in the African countries. Here, the rate of those in self employment works in small enterprises with no paid employees. But the shares of wage work, forming, and self employment differ greatly by gender and across countries. And yet, the non wage work represents more than eighty present of women's employment in sub-Saharan Africa. However, jobs are vulnerable to economic downturns and much more so in the private than in the public sector. In fact, short term crises may wipe out years of progress and they may start in a single country and through globalization spread over entire regions. For example, the impact of the 2008-09 crises varied across African countries. Regrettably, across these countries, the young bore the largest brunt. While international agreement help define what forms of work are unacceptable, in practice, many cases, forced labor is inflicted upon minorities or group's that are discriminated against, such as migrants, women and indigenous people. Thus, child labor provides another striking example (110,2008a) generally, children work for diverse and complex reasons. These range from household poverty to the relative, accessibility and affordability of schooling and from the preference of families and even children regarding work and play to the influence of technological change, international trade as well as urbanization.

Conceptually, children engaged in child labor include all persons aged between 5 and 17 years who during a specified time period were engaged in one or more of the following activities.

Hazardous work, worst forms of child labor rather than hazardous work; and other form of child labor (depending on age of the child and weekly hours worked). Here, the worst forms of child labor include any work that jeopardizes the health, safety or morals of a child. However, such work is determined to be hazardous depending on its specific nature, the demand on children in particular industries as well as general working conditions. And apart from hazardous work, the worst from of child labor include all forms of slavery, bondage, military, conscription, trafficking as well as using, procuring or offering children for prostitution, pornography or other illicit activities (1l0, 2008a). In some setting, children in wealthier household may be engaged in child labor, if household assets and access to finance, land, or other resources generate more demand for work from household members.

Basically, every generation goes through five transitions; learning as adolescents (young adults); beginning to work; taking risks that impact health; forming families and exercising active citizenship. Yet, when and how these transitions occur vary enormously across countries. But the patterns can be predicted. At the age of twelve, most children are in school and they start to leave school shortly thereafter while almost all are out by the age of twenty-four. Notably, in most African countries, children begin to work at an early age but most do not work full time until they

are least teenagers. Again, young people equally begin to engage in risk taking behaviors (such as having sex, smoking, trying drugs) which have possible health implications. However, these young people start puberty early but from families later. And yet, young people gradually begin to make themselves heard outside the family as well as to exercise citizenship. Indeed, young people need to acquire the right knowledge and skills to become productive workers, good parents, and responsible citizens. Notably, learning takes place in many environments home, school, workplace and community. Generally, by age of twenty four, almost all youth may have left school and entered a new stage in life some to begin wage work, some to engage in home enterprise, some to form house hold and raise families or some doing combination of these activities.

Regrettably, over the past thirty years, the age of leaving school has risen in every region in the world except Africa. Here, the main obstacles are starting too early, failing to enter the labor market as well as having difficulties moving across jobs and up the skill chain. Clearly, the effect of these obstacles on skill accumulation, future performance in the labor market and economic development are long lasting. Recent evidence from most African countries suggest that after leaving school, youth spend an average of four years in temporary or intermittent work and spells of joblessness before permanently catering stable employment. This initial failure in finding a job can lead to persistent joblessness for young people (especially in weak economics). In other words, long spells of unemployment can discourage youth from remaining in the labor force, leading to a higher incidence of youth out of school and

work. Thus, being either unemployed or out of school and work force for a long time can limit the accumulation of human capital young people need to get better integrated into the workplace and finding productive employment. Comparatively, youth and adult employment are positively correlated. As adult employment rises, youth employment also increases. But youth are less likely to be employed compared to older men and women. Therefore, what is contributing to the vulnerability of youth in the labor market? Basically, there are about four factors that are responsible for the observed situation. In some African countries, large cohorts of new entrants and higher female participation rates will continue to add pressure on the youth labor market. Again, poor access to information and credit leads to premature exit from school, perpetuating skill mismatches. Also, policy failures have unintended consequences on youth employment and widen the gaps between youth and adults in the labor market. Similarly, social institutions hinder the full participation of many youth (particularly girls) in skill acquisition and work.

Consequently, a countries level of development, institutional strength, endowments, and demography define where the development payoff from jobs is greatest. Thus, the jobs agenda in one country will be different from that in another country depending on their dominant features. And yet, in some countries the jobs challenge is shaped by demography and special circumstances affecting particular groups, however, the movement of people and jobs implies that jobs challenges(while being country specific) also have a global scope. Obviously, these processes have implications for living standards and productivity at both the sending and receiving ends and they can

transform families and entire communities (for better or for worse). Therefore, a significant research and data agenda lies ahead. In other words, further emphasis is needed on the relationship between jobs and movement in and out of poverty; the dynamics of micro and small enterprises in the informal sector; over the links between jobs and human behaviors as well as norms. Again research on the magnitudes of spillovers from jobs could identify good jobs for development tailored to country contexts. Another research area should concern the impact of jobs on the acquisition of cognitive and non- cognitive skills; and how this impact varies depending on the characteristics of the job as well as the person who holds it. Again, more solid knowledge on the sequencing of the international commitments and domestic policies related to services could address the reluctance of African countries to make further progress in the direction of liberalization and reap the gains from global integration.

Clearly, setting policy priorities for jobs need to be based on reliable date. Now, given that a large share of the people at work in African countries are not wage employment; and that even fever have a formal sector job; the measurement of employment is challenging. In fact, the paucity of empirical analysis on the employment impact of the global crises in African countries and the difficulty of the comparing measures of informal employment across countries suggest that data quality and availability remain a constraint for policy making. Notable, much effort goes into measuring unemployment rates as well as measuring them often. But open unemployment is not a very telling indicator in countries where a large fraction of the labor force is not salaried. Thus, the millennium development goal (M D G) on eradicating

poverty lists four indicators to monitor progress toward the employment target. And yet, these indicators only partially capture advances in the quantity and quality of jobs in Africa.

Therefore, today's challenges for Africa labor statistics can be regrouped into three key areas; data gaps, data quality issues, planning, co-ordination and communication issues. Table 4.1 present the Africa job performance data (World Bank, 2013). Here, the employment by work status refers to the share of employment in wage work, self employment and farming (in percentages). Notably, the self- employed includes employers and non-remunerated family workers outside farming. Using world values surrey (1999-2008) persons aged 14 over above who answer satisfied with their life at the time of the interview in percent of all respondents by work status (www. Worldvaluesurveys.org). as shown in the table, minimum wage is the lowest a private sector employer can pay a nineteen year old worker who has no previous experience in the economy's most populated city, in US $ at 2005 prices. However, the applicable minimum wage can be legally erected or agreed upon in collective bargaining agreements. Here, when a zero is reported it does not necessarily mean that there is no minimum wage in force in the country or economy. For example, there may be rates applicable to regular workers but not to apprentices (www. doingbusiness.org).

TABLE 4.1 COMPARATIVE AFRICAN JOB PERFORMANCE DATA

S/N	COUNTRIES (REGIONS)	WAGE EMPLOY-MENT (%) 2005-2010		SELF EMPLOYMENT (%) 2005- 2010		FARMING EMPLOYMANT % 2005- 2010		LIFE SATISF ACTION EMPLOY ED	LIFE SATISF ACTIO N UNEMP LOYED	MINIMUM WAGE 2005 US $/YEAR 2007 - 2010	
1	ALGERIA (NA)	___ _	____	___	___	____	____	55.4	39.3	1,848	2,460
2	ANGOLA (CA)	___ _	____	___	___	____	____	____	___	1,296	1,308
3	BENIN(WA	9.4	____	46.2	___	44.5	_____	_____	____	600	732
4	BOTSWANA (SA)	___ _	68.4	____	12.3	____	19.3	_____	____	1,308	1,164
5	BURKINAFASO (WA)	4.4	____	7.9	___	87.7	____	48.7	37.1	672	756
6	BURUNDI (EA)	___ _	____	___	___	____	_____	_____	____	48	36
7	CAMEROON (CA)	___ _	____	____	___	____	____	_____	___	504	684
8	CAPEVERDE (WA)	___	____	____	___	____	_____	_____	____	_____	____
9	CENTRAL AFRICA (CA)	10.0	____	24.5	___	65.5	___	___	___	408	432
10	CHAD (WA)	___	____	____	___	____	_____	_____	____	552	780
11	COMOROS (EA)	___ _	____	____	___	____	____	_____	____	_____	____
12	CONGO (CA)	21.6	____	42.3	___	36.1	____	_____	____	864	1,296
13	CONGO	9.1	___	20.3	___	70.6	_____	_____	____	180	696

	DEM REP (CA)										
14	COTE D'IVOIRE (WA)	___ _	____	____	___	____	____	____	____	0	0
15	DJIBOUTI (EA)	___ _	____	____	___	____	_____	_____	____	_____	___ __
16	EGYPT (WA)	53. 3	____	13.2	___	33.5	_____	_____	____	276	336
17	EQUITORIA L GUINEA (CA)	___ _	___	___	___	____	_____	____	___	_____	___ _
18	ERITREA (EA)	___ _	___	___	___	____	_____	_____	____	0	0
19	ETIHIOPIA (EA)	6.0	___	11.7	___	82.3	_____	40.2	38.2	0	0
20	GABON (CA)	55. 8	____	23.3	___	20.9	____	_____	____	432	516
21	GAMBIA (WA)	___ _	____	____	___	____	____	____	____	0	0
22	GHANA (WA)	18. 5	____	25.9	___	55.6	_____	63.3	59.7	252	276
23	GUINEA (WA)	45. 5	____	54.2	___	____	____	_____	____	0	0
24	GUINEAU BISSAU (WA)	___	____	____	___	____	____	_____	____	0	0
25	KENYA (EA)	29. 1	____	7.4	___	63.5	____	_____	____	924	1,0 68
26	LESOTHO (SA)	___	____	____	___	____	_____	_____	____	_____	___ _

27	LIBERIA (WA)	14.2	____	43.8	___	42.0	_____	____	___	588	564
28	LIBYANARAB J. (NA)	____	___	___	___	____	_____	_____	____	____	____
29	MADAGASGAR(EA)	____	____	___	___	____	_____	_____	____	288	420
30	MALAWI (EA)	10.2	____	7.0	___	82.9	____	____	____	192	252
31	MALI (WA)	11.0	____	33.0	___	56.1	____	58.2	53.1	156	150
32	MAURITANIA (WA)	____	35.6	____	42.8		21.6	____	___	876	888
33	MAURITIUS (EA)	____	78.8	____	15.9	____	5.3	_____	____	1,188	1,692
34	MAYOTTE (EA)	____	____	___	___	___	____	_____	____	_____	____
35	MOROCO (NA)	____	____	____	___	____	____	36.7	20.0	2,364	2,736
36	MOZAMBIQUE (EA)	12.9	8.9	7.3	8.6	79.9	82.5	___	___	732	1,032
37	NAMIBIA (SA)	____	____	____	___	____	____	_____	___	0	0
38	NIGER (WA)	____	____	____	___	____	____	_____	___	612	636
39	NIGERIA (WA)	19.3	____	57.7	___	____	23.0	71.4	76.7	0	0
40	REUNION (EA)	____	____	____	___	____	____	_____	____	____	___
41	RWANDA (EA)	23.9		9.1		67.0		42.2		228	0
42	SAINTHELE	___	____	____	___	____	____	_____	____	_____	___

	N(WA)										_
43	SAOTOME PRINCIP (CA)	___ _	____	____	___	____	_____	_____	____	_____	___ _
44	SENEGAL (WA)	23. 2	____	42.5	___	34.3	_____	_____	____	780	828
45	SEYCHEUES (EA)	___ _	___	___	___	____	____	_____	____	_____	___ __
46	SIERRA LEONE (WA)	9.3	____	20.1	___	70.6	____	_____	____	636	552
47	SOMALIA (EA)	___ _	____	____	___	____	____	____	____	____	___ __
48	SOUTH AFRICA (SA)	78. 6	____	18.5	___	2.9	_____	81.9	63.4	5,472	5,5 56
49	SUDAN (NA)	___ _	____	____	___	____	_____	_____	____	780	984
50	SOUTH SUDAN (NA)	___ _	____	____	___	____	____	____	____	____	___ _
51	SWAZILAN D(SA)	59. 3	____	30.4	___	10.3	____	____	____	1,080	912
52	TANZANIA (EA)		8.0		11.6	____	80.4	23.5	22.1	408	648
53	TOGO (WA)	9.2	____	____	32.5	____	58.2	_____	____	288	648
54	TUNISIA (NA)	___ _	____	____	___	____	_____	____	____	1,176	1,3 08
55	UGANDA (EA)	18. 7		13.8	___	67.5	_____	49.6	31.2	36	36

56	WESTERN SAHARA (NA)	___ _	___	___	___	____	____	____	____	____	___ _
57	ZAMBIA (EA)	17. 2	___	12.6	___	70.2	_____	64.3	56.2	840	624
58	ZIMBABWE (EA)	___ _	____	____	___	____	____	25.0	25.1	72	2,0 40
59	AUSTRALIA (OCEANIA)	___ _	84.6	____	13.6	___	1.8	86.9	65.6	13,464	13, 896
60	JAPAN ;ASIA	___ _	____	___	___	___	____	80.9	70.6	12,108	14, 652
61	UNITED KINGDOM (EUROPE)	87. 8	____	11.7	___	0.5	___	89.8	79.6	16,044	16, 188
62	UNITED STATES (AMERICA)	89. 3	___	10.1	___	0.6	_____	85.9	81.0	13,992	13, 488

Predictably, Africa's employment growth over the nest half decade is expected to exceed the global average. Similarly, improvements in the business climate in some Africa countries and the drive for Africa markets by both the emerging and western countries are expected to aerate employment opportunities in the region. However, labor productivity are expected to decline over 2014 – 2016 (ILO, 2012). Comparatively, labor productivity growth is very low in Africa. Excluding North Africa, labor productivity growth desiderated in the aftermath of the global crisis, and is expected to decline slightly over the long term. This decline is predicated on government's increased creation of short term, low-skilled jobs to diffuse tensions that may arise from high youth unemployment rates. In fact youth unemployment is higher in Africa

than other continents. Notably, North Africa has by far the highest youth unemployment rate (which has hardly budged over the last decade). Here, unemployment affect women and youth heavily while the lethargic growth in the formal job market leads these most vulnerable groups to be overrepresented in the informal sector. Generally, unemployment among youths is lower in Africa but employed youths are overrepresented among the working poor. For example, in Burundi and Liberia, more than eighty five percent of employed youths are working poor (United Nations, 2012). For the rest of Africa, the informal Labor market provides a cushion (albeit vulnerable) for job-seeking youths and women. However, youths of ten find it harder to secure formal work than adults (owing to their short work experience and limited professional networks). Yet, even when they find work, it terms to be characterized by low wages, poor working conditions and few opportunities for skills development regrettably, the up short is higher working poverty rates for young people than adults in the large majority of Central, East, Southern and West African Countries (ILO, 2012).

Indeed, the lack of skilful artisans may have worsened the problem of unemployment and its attendant negative fallout in Nigeria. However, the federal government on its part has initiated a number of programmes to encourage skill acquisition. In particular, through the National youth service scheme (NYSC) government has introduced a scheme known as skills Acquisition and Entrepreneurship Development (SAED). Essentially, this scheme was targeted at the corps members to help then to be self-reliant. Perhaps, the highpoint of Nigeria's employment creation effort is the launch of YOUEIN (YOUTH ENTERPRISE WITH INNOVATION IN NIGERIA). It is innovative

business plan competition aimed at job creation by encouraging and supporting aspiring entrepreneurial with the tactical skills and capital needed to start or grow a business, such that they can create employment for themselves as well as for others in different areas of life. Regrettably, the Nigeria job scammers exist because of the nature of impurity that exists in the country. In fact, there are law enforcement agencies that conspire with criminals to defraud innocent Nigerians. Vet, another dangerous trend is the imagination of millions of able men who are supposed to channel their physical and mental strength to develop their country; only finding succor in riding motorcycles (Okada). In other words, it is a shame that in 21st century Nigeria, University graduates are riding motorcycles (tricycles) for commercial purposes as means of survival. Again, the plight of jobless Nigerian youths are compounded by government agencies and dubious job recruitment outfits. Specifically, in some states, corrupt government officials have forced desperate job seekers to part with money that is either for the purchase of dubious employment forms or in the guise of outright bribe. Furthermore, some government agencies compel candidates desperate for job to apply online while purchasing scratch cards from designated agencies. Critically, poor power supply, dearth of infrastructure, poor planning and absence of political will are factors that will continue to play a debilitating role against job creation in Nigeria.

5.0 DRIVING KICTS

Indeed, advanced knowledge based information and communication ethnologies (KICTS) are the hearth of recent social and economic transformations in the various regions of the word. In otherworld, people, firms and counties use technical knowledge to improve their efficiency in the production of goods and services. Thus, recent developments in the fields of communications and information technology are indeed revolutionary in nature. In fact, these is a consensus that the transition to the 21st century will witness a quantum leap in the development and exploitation of information technologies, with corresponding ramifications for social and economic organization; environment; culture; and development of global information

infrastructure (Mansell and well, 1998). Notably, the capacity of a national (regional) system of innovation for building the capabilities required to take advantage of ICTs is a reflection of the nature of the leaning economy that exists in Africa countries. Here, learning capacity is related not only to the sophisticated use of ICTs to access global stocks of knowledge, but to the characteristics of the communication process among people involved in the innovation process.

Therefore, ICTs should not be regarded as a substitute for human skills or tacit knowledge.

Nevertheless, the use of ICTs can offer an important complementary component of the national information infrastructure that is leading to capability building and enhanced learning throughout the economy. Thus, there is a general perspective that there is no alternative way to become permanently better off besides the one of putting learning and knowledge creation at the center of the strategy.

Essentially, people, firms, and countries use technical knowledge to improve their efficiency in the production of goods and services. Sometimes, they cerate that knowledge themselves while at other times, they adopt knowledge created by others. Nevertheless, their decision to create or adopt takes into account the constraints they face. In other words, African countries cannot take advantage of the rest stock global knowledge unless they develop the competence to select, absorb, and adapt what they find. However, to take best advantage of the technology that comes in, and to spread successful practices throughout the economy, Africa countries have to adapt that technology to local conditions. Critically this should be the focus of government – funded R & D (initially in agriculture but increasingly in industry) as manufacturing

develops. Furthermore, incentives should be put in place for private firms to take on their on R & D (initially in adapting, understanding, and refining the technologies that are already using) but eventually morning into research in those areas where they are chose to international best practice. However, investment in the accumulation of technology and skills does not guarantee that strategies for building innovative knowledge societies will be effective of coherent. However, investment in the accumulation of technology and skills does not guarantee that strategies for building innovative knowledge societies' will be effective or coherent. Again, even strategies that are developed with care and pursued intensively may become ineffective if priorities in the external environment. Thus, if ICT strategies are to be effective, they need to be institutionalized and perpetuated. This implies that it is necessary to create virtuous circles of positive reinforcement and incentives for the participating actors to maintain their commitment. Essentially, these processes of reinforcement require the establishment of effective coordination mechanisms.

Specifically, for the poor African countries knowledge-based development is likely to be feasible only if initiatives are taken to develop new models justifying investment in their national information infrastructures. Thus, the greatest need for these countries is to devise models that will enable limited investment in human and technical capabilities to have an enduring catalytic effect in addressing priority development needs associated with poverty and job creation needs. Consequently, there are opportunities for all African countries to make the best use of the potential offered by ICTs to support their leading development goals. Critically, this applies to the goals of improving the

quality of life and job creation. However, exploiting these opportunities requires reflection on the experience that has already been accumulated in the use of ICTs. It also requires reserved commitment to lean from each others failures as well as successes. Thus national and regional ICT strategies can provide a framework for strengthening the likelihood of positive out comes and minimizing the risk of negative outcomes. Basically, assembling the tools is only part of the task facing countries as they design new or improved national ICT strategies. Strictly, measures must be taken to assemble the human capabilities and related technologies to make the best use of the new opportunities offered by ICT. In many instances, this assembly process will be market led; but to achieve certain social objectives and to reduce the extent of exclusion, public initiatives will also be needed.

Currently, new technologies, globalization and structural transformation have brought about remarkable improvements in efficiency. Notably, some African countries may have managed to narrow the productivity gap with some developed countries in only a few decades. And yet, there have failed to catch up and the gap remains considerable for all African regions. In fact the nature of work is changing as well at the same time technology improvements and greater reliance on out souring to African countries is leading to a decline in middle – skilled jobs. In fact, technology has allowed production tasks to be splintered and therefore performed in different locations. Similarly, transnational companies have built integrated value chains and can therefore tap into national skill pools around the world. In other words, the changing landscape of global production has brought about shifts in skills endowments and in the distribution of top talent across African

countries. However, skills are not one dimensional. Different jobs require different combinations of manual skills (needed for physical tasks), cognitive skills (needed for mental tasks) as well as social skills (needed to interact with others). Empirically, the distribution of employment by occupation can be used to estimate the skill intensity of production. Thus as income rise, countries tend to use fewer manual skills in production and more no routine cognitive skills. But even for a given level of GDP per capita, countries can use non routine skill varying degrees.

Obliviously technology progress expanse the possibilities for emerging and low-income countries to create jobs in higher-skilled production activities as well as to link to international value chains in services and manufacturing. In otherworld, technological progress enables countries to diverge from a linear evolutionary path from manual skill intensity to the use of higher order cognitive and social skills. Clearly, technology itself is changing the way workers and firms connect through their access to much larger (even global) market places for employment. Here, some of these market places operate through the interment while others use mobile phone technology. Generally, these changes are affecting workers in African countries and not just those in high – skilled occupations. Table 5.1 presents the Africa population (skills) dynamics data (World Bank, 2013). From the table, population refers to the number of people living in the territory of a country or economy (in millions). The figures are from population censuses and demographic estimates as compiled in the world development indicators of the World Bank. The working age population refers to the person aged 15 to 64 as a fraction of the population (in percent). The

participation rate is the share of the working age population that is in the labor fore; with the labor force defined as persons who work or are unemployed during a reference period (in percent). The unemployment rate is the share of the labor force that is unemployed and the unemployed is defined as persons who are available to work and are actively looking for a job during a reference period (in percent). And skills as a constraint refer to the share of firms identifying an inadequately skilled work force as a major or very server obstacle to business in percent). Here, figures as from enterprise surveys averring firms with at leas five employees that is mainly formal as compiled by World Bank enterprise surreys (www.enterpriessurveys.org). Productivity refers to the total value added per worker in annual CISS at 2005 prices.

TABLE 5.1 COMPARATIVE AFRICAN POPULATION (SKILLS) DYNAMICS DATA

A	B	C	D	E	F	G	H
S/N	**COUNTRIES (REGIONS)**	**POPULATION (MASONS) TOTAL (2010)**	**WORKING AGH (%) TOTAL (2010)**	**PARTICIPATION RATE (%) TOTAL (2010)**	**UNEMPLOYMENT RATE (%) TOTAL (2010)**	**SKILL CONSTRAINT TOTAL (2010)**	**PRDUCVITY (US$) PERWORKER (2010)**
1.	ALERIA (NA)	35.5	-	-	11.4	-	-
2.	ANGOLA (CA)	19.1	-	-	-	26	-
3.	BEIN (WA)	8.8	-	-	-	26	-
4.	BOTSWANA (SA)	2.0	59.9	68.5	-	32	-
5.	BURKINA FASO (WA)	16.5	-	-		37	-
6.	BURYNDI (EA)	8.4	-	-	-	-	-
7.	GAMERODNL (CA)	19.6	-	-	-	38	-
8.	CAPE VERDE (WA)	-	-	-	-	-	-

9.	CENRAL AFRICAN (CA)	4.4	-	-	-	-	-
10.	CHAD (WA)	11.2	-	-	-	53	-
11.	COMOROS (EA)	-	-	-	-	-	-
12.	CONGO (CA)	4.0	-	-	-	51	-
13.	CONGO DEMREP (CA) 27	66.0	-	-	-	65	-
14.	COTE-DIVOTRE (WA)	19.7	-	-	-	27	-
15.	DJIBOUTI (EA)	81.1	-	-	-	-	-
16.	EGYPT (NA)	-	-	-	8.7	-	6,677
17.	EQUITURIALUINBA (CA)	-	-	-	-	-	-
18.	RETHREAD (EA)	5.3	-	-	-	-	-
19.	ETHIOPIA (EA)	82.9	-	-	-	-	-
20.	GABON (CA)	1.5	-	-	-	43	-
21.	GAMBIA (WA)	1.7	-	-	-	-	-
22.	GHANA (WA)	24.4	-	-	-	-	-
23.	GUINEA (WA)	10.0	-	-	-	-	-
24.	GUINEA (WA)	1.5	-	-	-	-	-
25.	KENYA (EA)	40.5	-	-	-	-	-
26.	LESOTHO (EA)	2.2		-	25.5	17	-
27.	LIBERIA (WA)	4.0	-		3.7	5	696
28.	LIBYAN ARAB (NA)	-	-	-	-	-	-
29.	MADAGASCAR (CE)	-	-	-	-	17	-
30.	MALAWI (EA)	14.9	-	-	-	22	-
31.	MALI (WA)	15.4	-	-	-	12	-
32.	MAURITANIA (WA)	3.5	52.2	83.1	-	-	-
33.	MAURITIUS (EA)	1.3	69.9	62.2	7.7	46	15,443
34.	MAYETTA (EA)	-	-	-	-	-	-
35.	MOROCCOL (NA)	32.0	-	-	10.0	-	7,741
36.	MZAMBIQUEL(EA)	23.4	48.2	91.2	-	-	
37.	NAMIBIA (SA)	2.3	-	-	37.6	-	14,685
38.	NIGER (WA)	15.5	-	-	-	37	-
39.	NIGERIA (WA)	158.4	-	-	-	-	-
40.	REUNIN (EA)	-	-	-	-	-	-
41.	RWANDA (EA)	10.6	-	-	-	-	-
42.	SAIAT HELEN (WA)	-	-	-	-	-	-
43.	SAOTUME/PRI	-	-	-	-	-	-

	NCERE (CA)						
44.	SENECOAL (LNA)	12.4	-	-	-	-	-
45.	SEYCHCUES (EA)	-	-	-	-	-	-
46.	SIERRA ISONE (WA)	5.9	-	-	-	16	-
47.	SOMALIA (EA)	9.3	-	-	-	-	-
48..	SOUTH AFRICA (SA)	50.0	-	-	24.7	-	17,639
49.	SUDAN (NA)	43.6	-	-	-	-	-
50.	SOUTHSUDAN (ND)	-	-	-	-	-	-
51.	SWAZI LAND (SA)	1.2	-	-	-	-	-
52.	TANZANIA (EA)	44.8	50.5	78.4	-	-	-
53.	TOBO (WA)	6.0	-	-	-	17	-
54.	TUNISIA (NA)	10.5	-	-	14.2	-	-
55.	UGANDA (EA)	33.4	-	-	4.2	-	1057
56.	WESTERN SAHARA (NA)	-	-	-	-	-	-
57.	ZAMBIA (EA)	12.9	-	-	-	-	-
58.	ZIMBAMWE (EA)	12.6	-	-	-	-	-
59.	AUSTRALIA (OCEANIA)	22.3	67.6	-	5.2	-	89.305
60.	TAPAN (ASIA)	127.5	66.1	72.6	5.0	-	105.389
61.	UNITED KINGDOM (EUROPE)	62.1	66.1	75.5	7.8	-	72.322
62.	UNITED STAPES (AMERICA)	309.1	66.3	73.9	9.6	-	100.365

Traditionally, investment in infrastructure, physical capital and education remains the key to economic development. However, the information communication technology (ICT) content of investments in infrastructure, physical capital and education. Ben\sides providing IT education and training for their citizens, governments can therefore become sophisticated users of information technology. In other words, by developing advanced applications of ICT and by becoming a model for the private sector; governments can change the attitudes of workers, firms and consumers as well as lower their costs of adopting ICT. In

order to support both ICT use and production, African countries need to develop human resources and information infrastructure. At one level, there is the need to develop basic capabilities though general education and broad infrastructure investments. Yet, focused investments in high level capabilities are equally important. Essentially, these include the training of ICT professionals, investment in specialized information infrastructure as well as creation of the advanced technology institutions. In fact, such investments will create the foundation for building broader capabilities. Notably, the must effective ICT policies are those that promote use and production close to use as well as those that build national capabilities. Clearly, these policies will work best if developed in cooperation with the private sector and if the efforts of related agencies are coordinated so that they complement (rather than compete) with each other. However, great challenges must be overcome if the emerging mobile information society is to be affordable and accessible regionally. Otherwise, the digital divide will persist (and wide) between African countries that have access to the new technologies and those that do not. Regrettably, financial, institutional, political and human factors remain the main barriers for African economies to emerge. Perhaps, the evolution of e – CASE (electronic commerce, administration, society, education) and e-tech (electronic technology) can accelerate African development despite her numerous challenges.

Indeed, of all the many technologies of our time, progress in information and communication technology (ICT) has no doubt had (and continues to have) the greatest influence on the global economy, making it possible to collect, process, and transmit information at breath taking speed and declining cost. This has the tendency of increasing

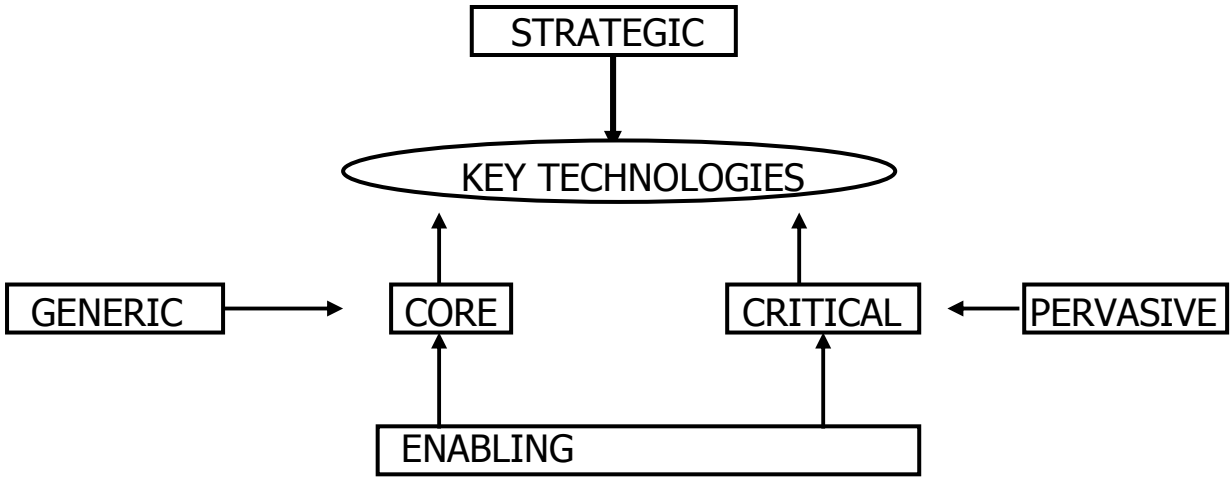
productivity as well as improving quality and efficiency in all types of industries and services sectors. Perhaps, must significantly, the ICT revolution is leading to a revolution in business practices. Operationally, ICT is increasingly associated with the adoption of lawn production and distribution practices, including just -in-time (JIT), instancing and total quality management (TQM). Critically, these ICT intensive parities (which maximize the utilization of physical assets and minimize working capital) are spreading throughout the world; and are likely to determine how (and how much) African countries will participate in global industries. Notably, the far reaching effects of new information technology are not limited to industrial production. In fact, all economic nativities (including agriculture, mining barking, commerce and transportation) are becoming fast, flexible and information intensive. As it changes the generation and distribution of knowledge and ideas in all fields, existing skills and occupations are being undermined while hierarchical organizational structures are being challenged. All in all, information and communication technology as shown in figure 5.1 (Honna, 1995)

Indisputably, ICT can benefit African countries in several ways. Specifically, it provides greater opportunities to participate in global trade and production; provides better access to information; helps achieve and maintain international competitiveness; enables more efficient public administration and management; as well as making possible environmentally friendly development for clarity purpose; a detailed relevance of ICT sector to the African economies is identified below.

FIGURES 5.1 TECHNOLOGY POLICY PRIORITIZATION SCHEME

SOCIAL NEEDS

TECHNOLOGY	A	B	C	D	E
1					
2					
3					
4	.	.	.	.	.
5					
6					



TECHNOLOGY

TECHNOLOGY	A	B	C	D	E
1					
2					
3					
4	.	.	.	.	.
5					
6					

CHANGING TECHNOLOGY

TECHNOLOGY	A	B	C	D	E
1					
2					
3					
4	.	.	.	.	.
5					
6					

INDUSTRIAL SECTORS

TECHNOLOGY					
1					
2					
3					
4	.	.	.	.	.
5					
6					

(A) Participating in global trade and production:

(i) Raising information content of economic activity

(ii) Fast pace of economic transactions and premium for rapid response.

(iii) Intelligent infrastructure necessary to attract foreign investment and alliances.

(iv) IT enhanced managerial innovations and new business practices.

(v) Exporting tight and increasingly – segmented markets: economies of scope and specialization.

(vi) Exporting fast – growing, highly profitable software and information – based services.

(B) Alleviating information poverty:

(i) Taping fast – expanding global knowledge.

(ii) Mobilizing and sharing local information resources.

(iii) Increasing productivity of scarce managerial and scientific resources

(iv) Empower private sector with public information

(C) Enhancing competitiveness

(i) Transforming industries from mass production to lean and flexible manufacturing

(ii) Modernizing infrastructure: enhancing service; reducing capital embedding intelligence

(iii) Opportunities to leapfrog (telecom) and to phase-in IT at work cost (PCs)

(iv) Revolutionizing business and manageable practices

(D) Improving public sector management:

(i) Extending basic services to vast populations

(ii) Informing public policy and promoting transparency

(iii) Promoting national consensus, broad Participation and social learning

(E) Promoting Environmentally friendly development;

(i) Reducing environmental impact of industrialization and urbanization

(ii) Integrating environmental information into economic policy and physical planning

Definitely, these advantages (it properly adopted) can charge the African status of non- inductive growth to the status of inclusive (Job creating) growth pattern.

6.0 INNOVATIVE INSTITUTIONS

Generally institutions are rules, enforcement mecharrisme and organizations. Distinct from policies (which are the goals and desired outcome) institutions are the rules (including behavioral norms) by which agents interact and the organizations that implement rules and code of conduct to achieve desired outcomes. More precisely, institutions are the rules and organizations. (Informal norms) that coordinate human behavior. Essentially, they are for sustainable and equitable development. For any institutional environment to promote human well-being, it must pick up signals about needs and problems (particularly from the fringes). Basically, this involves generating information, giving citizens a voice, responding to feedback as well as fostering learning. Again, it must balance interests by negotiating change and forging agreements as well as avoiding stalemates and conflicts. However, when societies and processes are unequal and undemocratic, it is more difficult to coordinate diseased interests and forge credible commitments. And yet, social and economic development sometimes offers opportunities for change in fact, structural changes (urbanization, demographic transition, wealth redistribution) unleash dynamic forces and opportunities for institutional change while initiatives to channel information can serve as a catalyst for change.

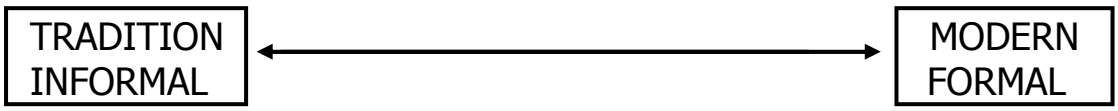
As shown in figure 6.1, institutions are the rule, organizations and social norms that facilitate coordination of human action. On the informal end, they go from trust and other forms of social capital to informal mechanisms and networks for coordination (world ban, 2003). In contrast (on the formal end) they include a country's codified rules and laws as well as the procedures and organizations for making,

modifying, interpreting and enforcing the rules and laws. Because institutions govern behavior, they are social assets (liabilities) and so are the elements of social capital such as trust and personal networks. In other words, general trustworthiness in a society can be strong either because of string personal networks or because of good laws and judicial systems that are generally accepted.

In fact, as societies become more complex, trust in individual (based knowledge of character and frequency of interpersonal contacts), is supplemented by trust in institutions (rules and organizations) for the case of sealing with strangers.

FIGURE 6.1 HUMAN BEHAVIOR COORDINATION: SOCIAL NORMS (RULES) AND ORGANIZATIONS

SOCIAL CAPITAL	INFORMAL RULES		FORMAL RULES	ORGANIZATIONS
TRUST NETWORKS SHARED VALUES NORMS RELIGION	RULES + + TRADITIONS	EASY TO CHANGE ↕ DIFFICULT TO CHANGE	REGULATIONS LAWS CONSTITUTIONS	GOVERNMENT AGENCIES FIRMS CIVIL SOCIETY ORGANIZATIONS POLICE COURTS



Notably, institutional reform happens when the actors take advantage of opportunities for change and use instruments of change at their disposal. Thus, the institutions that mediate social interaction must faster both stability and change. Here, a measure of stability and predictability in the rules governing society is necessary for the people

to have confidence to work together (to challenge each other to improve their communities) and to invest in their future. Indeed, in a society founded on broader consensus and certain ethical principles, these institutions are simultaneously given force and anchored to give predictability and confidence. Reveling the framework of information, enforcement and competition, policy makers building institutions need to assess what is inhibiting market development or leading to certain market outcomes. Rather than focusing on specific structures, they need to focus on the functions that are missing and hence determine why. Once the institutional gap is identified, the appropriate institutional design is equally ascertained. To be effective, such an institution must be designed so that the incentives of market actors are aligned to achieve the desired outcome. Basically, there are four key approaches toward institution building that hold across all sectors and countries: complement what exists, innovate to identify institutions that work, connect communities through information flows and trade as well as promoting competition.

Obviously institutional reform is not just the preserve of national governments. In fact, individual and communities, local entrepreneurs, multi national companies and multilateral organizations can build institutions, often in partnership with each other. However, national governments may initiate reform or may respond to pressures from the private sector or from external cutters. Again, in some cases of systemic institution building governments have been effective in successfully, transporting laws, organizations and agencies. And yet, in some cases, systemic reforms did not have the desired outcomes. Unfortunately, creating an institutional framework conducive to innovation is not

something that can be made through a clear blue print rigidly prepared in advance and then closely followed. Rather it is more a search process that begins with micro reforms (well designed and conducted) that lead progressively to virtuous circles. Notably, conventional economic development focuses on endowments; with an appropriate endowment, economics grow. On the other hand, those that lack such endowments do not grow. As an alternative new, Institutional framework is necessarily changed through the implementation of innovation programs and policies, therefore, the challenge is to monitor the institutional change on a micro level and scale it up.

Specifically, African region are known with countries with highly dysfunctional institutions and how knowledge endowments. Regrettably, Africa is where almost nothing works effectively. Here, interventions and policies tend to fail because of interlocking institutional traps: pervasive problems with security (strife and Civil Wars), high cost of access to ports, and other binding constraints. Again, finding solutions requires cutting across several domains and thinking outside the box (experimentally and innovatively). However, most policies are likely to fail because the institutional environment is so difficult and the constraints are so numerous and inter locking (collier, 2007 and world bank, 2010), yet, in a dysfunctional environment, what is needed is a venture capital perspective on institutional formation: a search for ideas in different domains, innovation, and experimentation as well as an understanding that most projects will fail while the few that succeed will provide a development payoff that counterbalances the failures. In other words, governments and development businesses are extremely risk averse and as such failure is discouraged and perceived as a mistake

while learning by experimenting is alien to the development bureaucracy culture. Thus, the required search and experimentation processes needed in advanced settings (near the technological frontier) and in the bottom billion are strikingly similar.

Consequently, a pragmatic agenda for change often implies focusing on bottom – up entry points (immediate policy agenda), scaling them up to ensure coo9rdination and focused action (medium – term policy agenda), and then moving on to major reforms (longer – his policy agenda). Here, the art and craft of policy making are to sequence the various horizons of a policy agenda to achieve a virtuous circle of growth and reforms. Again, a pragmatic agenda is needed to get around the institutional rigidities faced by many African economies and to create momentum for change by fostering stake holder awareness, gaining consensus and strengthening demand for institutional change. Then, it is possible to move ahead with concrete, manageable, bottom – up approaches that can serve as demonstration projects to advance larger agenda. Operationally, framework programs provide an environment for micro reforms to continue and scale up. Unlike typical government programs or initiatives, framework programs have distinct features. On one hand, they start from existing institutions (programs) and by linking better performing segments of private (public) sectors; they alleviate institutional constraints by allowing the advocates of change to institutionalize their agendas. On the other hand, by searching for outside – the – box solutions to familiar problems, the institutional framework can be reshaped.

Indeed, can African countries learn from other's experience in harnessing its heterogeneity and creating new institutions, promoting

growth and undertaking reforms? Notably, most African countries have many cases of micro reforms of their institutional framework that emerge in unexpected settings or proceed in unanticipated ways. Thus, various means of scaling up micro reforms into changes in the national institutional framework for innovation can be proposed.

(i) Institutionalizing search networks of leading actors, including continuous monitoring of the progress of reform and benchmarking to determine what is feasible;
(ii) Systematically evaluating programs and projects;
(iii) And initiating an innovation foresight process;

As shown in figure 6.2, scaling up micro reforms is strategic incrementalism: charge proceeds gradually (step by step) but its long – term outcomes is dramatic (with each of the above mentioned components considered in turn). Clearly, change is driven by individuals (champions) who are willing to risk their reputation on the results of reform. Evaluation is a management tool that links the impact of programs to budget allocation decisions. Strategic pilots should examine new organizational models, test their feasibility and harness the unique features of the innovation system. Again the fore right process attempts to identity potential future opportunities for the economy or society arising from innovative science and technology can address society's key challenges. In particular, these have proven useful in defining longer-term needs as well as helping develop the *creative link* from which innovations emerge. Practically, the process includes several elements:

(a) A steering group comprising leaders from the three main constituent communities (government, academic and business);
(b) A secretariat to identify the main participants;

(c) An organized program of semi-autonomous working groups;

(d) And an integrative effort.

Generally, analysis of innovative policy making and policy implementation should be based on the following principles of institutional change;

(1) Rely on better-performing segments of existing institutions to leverage reform and change;

(2) Use search networks to link better – performing segments of the economy;

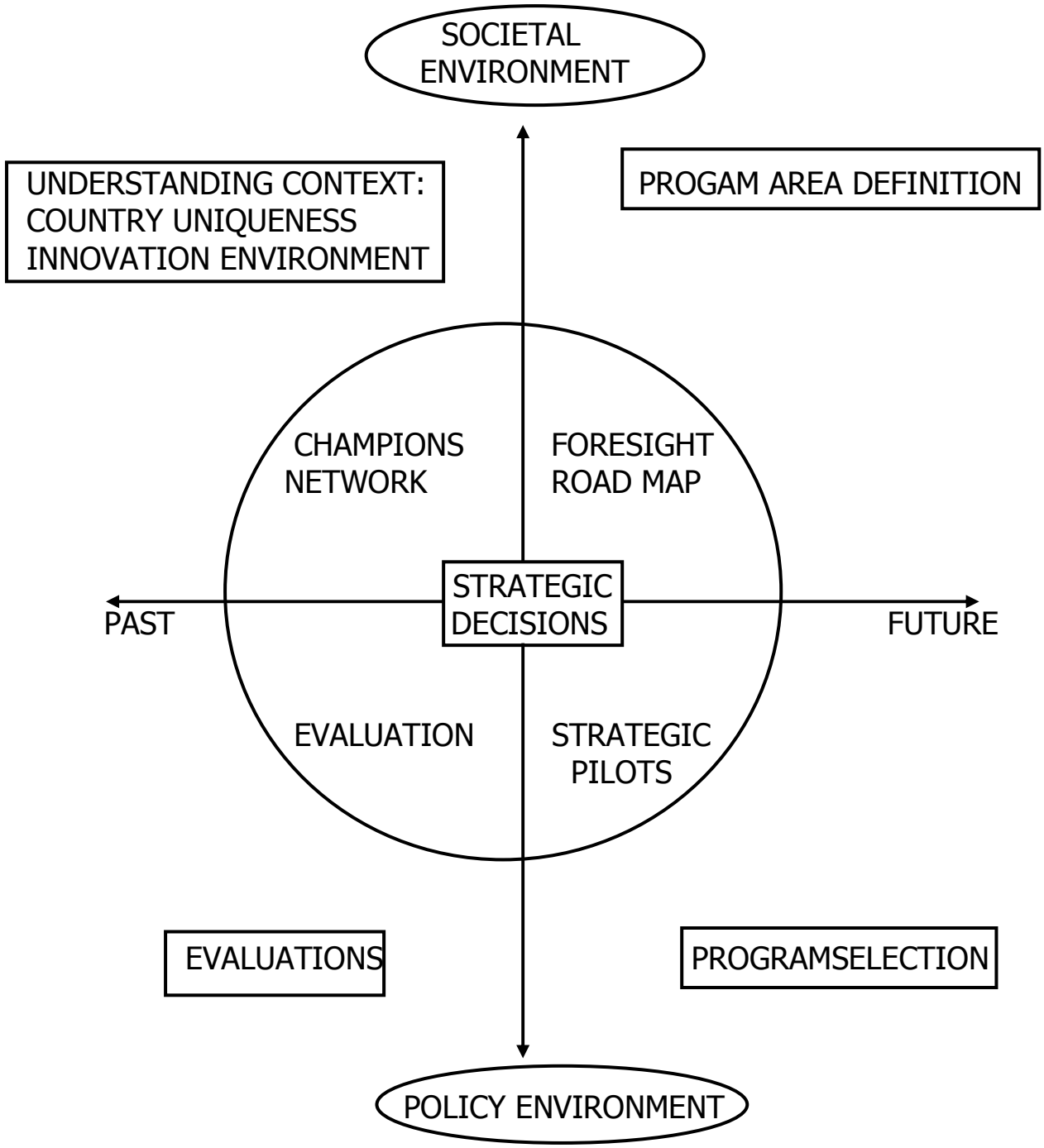
(3) pursue the goal of double transformation;

(4) Impose top-down measures to free policy space;

(5) And follow the bootstrapping approach (at once humble and ambitions)

However, the prevailing view of reform starts with the design of a blue print for change. That is a blue print with a known outcome. Hence, to detect problems and errors, policy makers should constantly monitor and benchmark the process of reform and restructuring.

FIGURE 6.2 INSTITUTIONAL CHANGE: STRATEGIC INCREMENTALISM ELEMENTS.



7.0 ENABLING INFRASTRUCTURES

Although economic growth will be in balanced, it has been generally argued that development can still be inclusive. However, as economies grow from low to high income, production becomes more concentrated spatially consequently; some places (cities, coastal areas, connected area) are favored by producers. Therefore, as countries develop, the most successful ones may institute policies that make living standards of people more uniform across space. Thus, economic integration and its instruments (institutions, infrastructure, and incentives) are the ways to get both the immediate benefits of a convergence in living standards (World Bank, 2009). In other words, in places where integration is hardest, the policy response should be comprehensive: institutions that unite infrastructure that connects and interventions that target. Unfortunately, the observed disparities in incomes and living standards are the outcome of a striking attribute of economic development (it is unevenness across space). Therefore, the challenge for government is to allow (even encourage) unbalanced economic growth as well as ensuring inclusive development. Surely, they can do this through economic integration. That is, by bringing lagging and leading places closer in economic terms. There, the integration can best be done by unleashing the market forces of agglomeration, migration and specialization (and not by fighting or opposition). Yet, how well markets and government work together determines the speed and sustainability of geographic transformations.

Generally, infrastructure represents policies and investments that are spatially connective and examples include roads, railways, airports harbors, as well as communication systems that facilitate the movement

of goods, services, people, ideas, locally, nationally and internationally. Hence, firms with access to modern telecommunications services, reliable electricity supply and efficient transport link standout from firms without them. Operationally, they invest more and their investments are more productive. Yet in most African countries, many firms must cope with infrastructure that fails to meet their needs. However, all types of infrastructure (including airports, railways, distribution networks for water and natural gas) matter to some firms. Although building and maintaining roads, ports, electricity grids and telecommunications networks is expensive, it is no surprise that poor countries in Africa have worse infrastructure than other countries of the world. Therefore, the problem of infrastructure provision has its roots in the potential for market power that results from economies of scale. Particularly for poor people, there are wide spread challenges in providing affordable access, fixing dysfunctional facilities, improving technical quality, increasing client responsiveness as well as raising productivity. Notably, neither economic growth nor simply increasing public spending nor coming up with technocratic solutions is enough to meet the observed challenge.

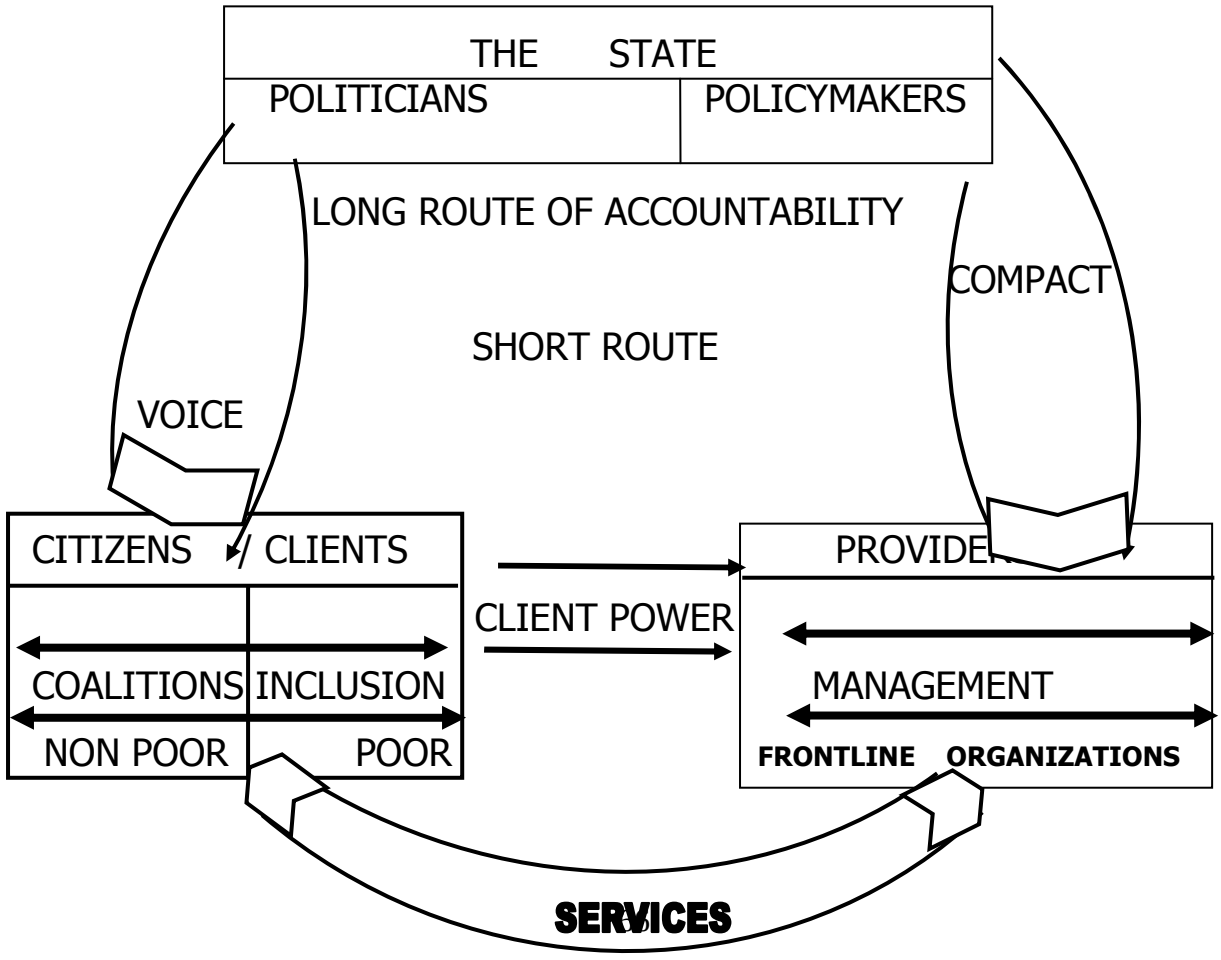
Therefore, the general question remains: what institutional conditions support the emergence of capable, motivated frontline providers with clear objectives and adequate resources? Perhaps, the answer may be successful services for poor people emerging from institutional relationships in which the actors are accountable to each other. Here, accountability is defined as a relationship among actors that has five features: delegation, finance, performance, information about performance and enforceability. In the ideal situation, these actors are linked in relationships of power and accountability. As shown

in figure 7.1, citizens exercise voice over politicians while policy makers have compacts with organizational providers. Again, organizations manage frontline providers while clients exercise client power through interactions with frontline providers (World Bank, 2004). Operationally, weaknesses in any of the relationships (or in the capacity of the actors) can result in service failures. Here, providers can be made directly accountable to clients (as in market transactions) by passing decisions and powers directly to citizens or communities, which is a short route of accountability. But more typically, the public sector is involved so that two key relationships (voice and compacts) make up the main control mechanism of the citizen in a long route of accountability. Yet in either case, organizations need to be able to manage frontline providers. Thus, the underlying problem in the provision of much infrastructure is the combination of two reasonable concerns: customers fear that firms will use their market power to overcharge while firms fear that governments will use their regulatory power to prevent them from covering their costs. Originally, private firms created much of the world's infrastructure, but the playing out of these fears (combined with a prevailing skepticism about markets and private ownership led to widespread nationalization of infrastructure in the past.

However, under public provision, the problems reemerged in different guises and were joined by others. In this era, infrastructure services remained highly politicized and governments frequently kept prices below costs. Here, as long as governments heavily subsidized public infrastructure agencies, these agencies could still operate and expand.

Unfortunately, fiscal pressures and mounting dissatisfaction with public services made governments reluctant to go on providing large subsidies. These facts (combined) with a change in the prevailing views about markets and private sector for the operation of some infrastructure service. While public provision remains important, private participation has now spread throughout much of the African countries. Although private provision has often lowered costs and improved services, the problems of political economy remain. Consequently, the amount of investment in private infrastructure project in Africa has declined in the recent past. Therefore, addressing these problems requires recognition that the performance of infrastructure providers in shaped by their investment climate. In other words, a good investment climate helps improve infrastructure.

FIGURE 7.1 **KEY ACTORS: POWER RELATIONSHIP SCHEME**



Competition also has the power to transform infrastructure industries by increasing legitimacy and strengthening investor's property rights. In fact, it pushes firms to become more efficient and cut prices. Consequently, it helps assure customers that they are getting a reasonable deal. In turn, this reduces pressure on governments to regulate in ways that weaken investors' property rights. Here, if government can credibly make the commitment to the investors by using sound policies (and simultaneously persuade customers that their interest are being protected); it will have gone much if the way toward creating a good investment climate for infrastructure providers. In this way, the government will be doing much to provide good infrastructure services to all firms and to their broader societies. However, an important dimension of pro-poor infrastructure reforms lies in government assigning an appropriate role to itself. Here, the critical role of government is to ensure that services are available and delivered to poor households. While this responsibility does not necessarily require that the government delivers these services, itself. It does entail responsibility to make policies and write rules (lows or regulations) by which the system must operate as well as ensuring that these rules are enforced. In addition to policymaking and regulation, governments need to allocate budget resources to support these policies. In this context, the rules of civil society and sub-national governments in public resource should be identified.

Again, when a government agency delivers a service, the regulatory responsibility for the service lies outside that agency, in a body with distinct characteristics and responsibilities. Thus, failure to

ensure this separation (which is frequent) usually results in poor performance of public service delivery.

Therefore, where services are publicly delivered, the delivery agency should be guaranteed managerial autonomy in its use of resources as well as in staffing decisions. Indeed, poverty reduction can be measured by improvements in four dimensions: economic opportunities, capabilities, security and empower. Notably, households will experience changes in these dimensions in two main ways.

(A) Increased consumption that results from growth in households incomes, and

(B) Increased access to and consumption of goods and services that are made more affordable by efficiency improvements or government actions in support of social equity objectives.

In general, most poor household depend for their income or private sector activities such as the sale of food and cash crops, labor and other services. Yet, these activities are affected by the quantity and quality of infrastructure services as well as by the reliability of access to those services. Consequently, interventions to improve infrastructure can play a major role in poverty reduction. Again, the availability of modern infrastructure increases the value of the main asset of the poor (labor) by reducing the time that households spend on basic subsistence activities, the time that women spend on domestic chores, and the time lost through ill health.

Essentially, infrastructure investments have a strongly complementary relationship with other physical and human capital in a process of balanced growth. Therefore, investment decisions should be based not only on the immediate economic impact of a specific

infrastructure investment, but also on its potential impact on overall growth. Usually, analysis of these potential effects is undertaken in the context of the evaluation of a country's growth pattern.

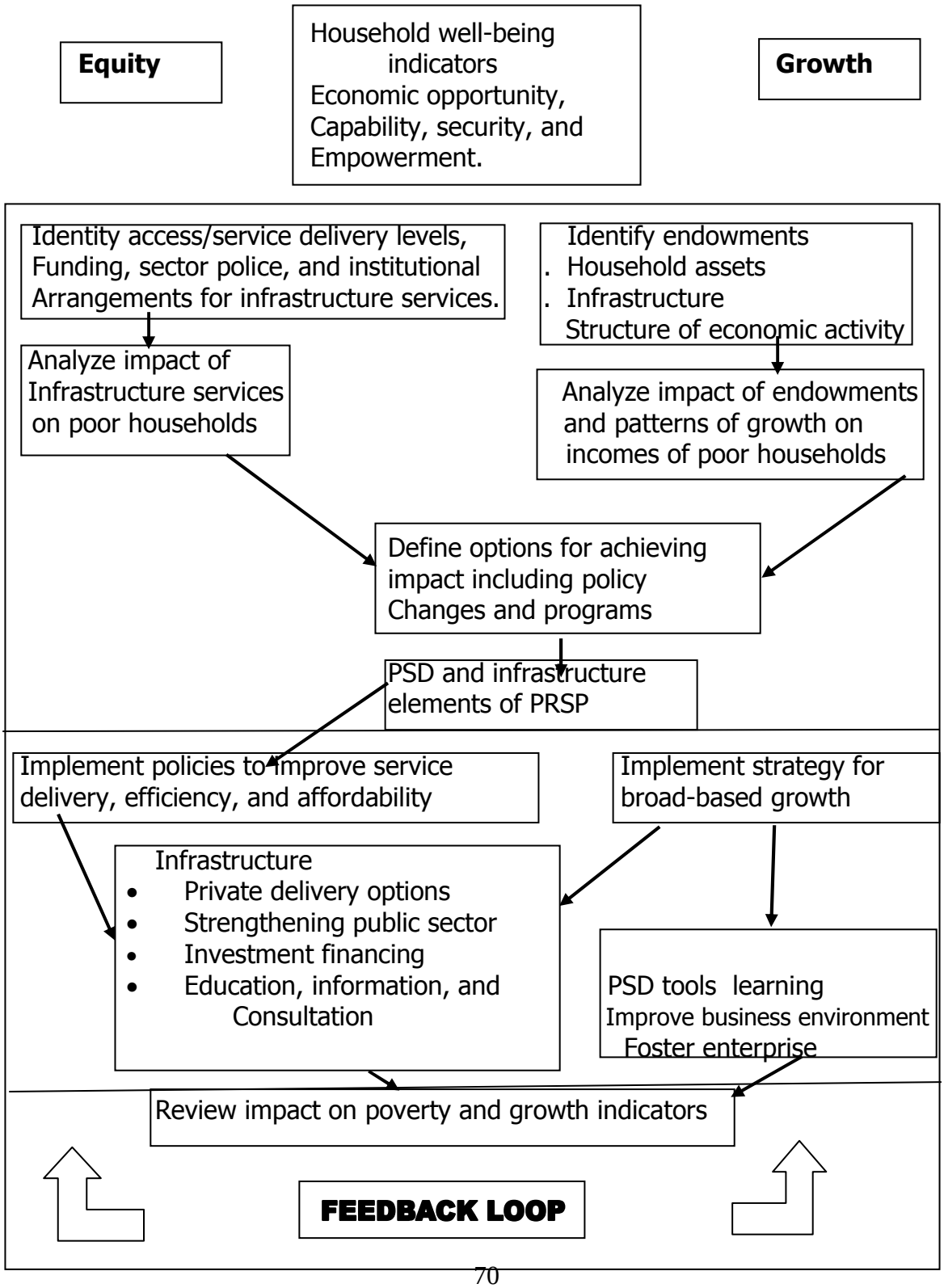
Essentially, household consumption is influenced by the need for and the availability of infrastructure services. It is equally influenced by the affordability of these services as determined by prices charged in relation to house hold incomes. In fact, government can influence those prices through a variety of measures that either increase the efficiency of service provision (by encouraging competition or greater involvement of the private sector) or provide subsidies that reduce prices (generally) or reduce them for (specifically) targeted groups. Figure 7.2 provides the conceptual framework that captures these relationships. Here, the first segment of the diagram identifies analyses that may help clarify the issues that must be addressed when developing infrastructure interventions designed to bring about poverty reduction. In contrast, the second segment sets out the range of options that governments may consider in detailing their strategy while the third segment discusses practical steps and approaches to get started. Indeed, it is important that policymakers understand how development of various types of infrastructure can affect growth and equity dimensions of poverty reduction. Thus, some measurable indicators of infrastructure services are suggested:

(1) Service delivery indicators that measure the quantity, quality, reliability, accessibility, and affordability of infrastructure services, including education and health (where appropriate).

(2) Other indicators that (where applicable) measure environmental impacts, the level of regional integration, trade and competition.

Therefore, on this basis, considering historical performance, realistic goals can be established for key sectoral areas for efficient outcome and inclusive development.

FIGURE 7.2 ENABLING **INFRASTRUCTURE FRAMEWORK: FIRMS GROWTH AND POVERTY REDUCTION**



8.0 Policy Reforms (Motivating Incentives)

Operationally, before using incentives to promote economic development in lagging areas, national and sub-national governments should try to find out why some areas are being by passed by the market. Such questions include:

(i) Is it because of the low social returns to economic production in these places, the low ability to capture these returns or the high cost of finance?

(ii) Have policies actively or inadvertently blocked local economic growth?

Thus, the success of incentives depends on how well the problem is diagnosed. Perhaps, starting with area specific natural, human and infrastructure endowments, know thy economy should be the motto of sub-national governments. In other words, good information can promote constructive debate on development options while building consensus around a development strategy. Here, if the information and subsequent analysis points to specific opportunities for growth; the next step will be to identify whether the planed incentives are to subsidize capital formation or to promote invasion. Predictable, if they are to attract firms with potential local multipliers, it is important to know whether the product lines value agglomeration economies that can reduce the power of the incentives. However, for firms in sectors in which economies of scale and agglomeration are important for production; it is less likely that spatially targeted interventions will attract then to lagging areas.

And yet, at all stages of development, forcing economic production to spread evenly across areas is both allusive and expressive. Generally, growth is unbalanced, but it always brings more resources for societies

to balance development outcomes strictly, policy makers should identify and execute strategies that balance development outcomes across arecas by means other than resisting the forces of unbalanced growth. However, all discussions of territorial development policies should start with spatially blind institutions. Similarly, infrastructure that connects lagging areas to markets can help nations integrate. That is, the emergence of domestic integration. In addition to the discussions of spatially targeted incentives, the right mix of integration instruments will bring the benefits that come from both unbalanced growth and inclusive development.

While public works and targeted employment programs are justified in certain situations, the primary role of government is not to directly provide employment. Rather, government is expected to set the conditions for job creation by the private sector as well as removing the obstacles to the creation of more of the jobs with the highest development payoffs (given the circumstance of the country). In deed, fundamentals are necessary for growth and are a precondition for strong job creation by the private sector. Notably, macroeconomic stability, enabling business environment, human capital and rule of law (progressive realization of rights) are the key policy fundamentals. Again, labor policies need to be adequate for growth to translate into jobs. In other words, policies should seek to avoid the distortive interventions that stifle labor reallocation and undermine the creation of jobs in functional cities as well as global value chains. But polities should also ensure voice and social protection (especially for the most vulnerable). On the other hand, policy priorities have to be established in support of good jobs for development. Operationally, policies should

aim at removing the market imperfections as well as institutional failures preventing the private sector from creating more of those jobs. Clearly, if the constraints cannot be easily singled out or difficult to remove, offsetting policies may be considered.

New technologies are revolutionizing how people connect with jobs. Mobile phones have spread widely and have penetrated low income households around Africa. Text messaging, voice and mobile applications give jobseekers and employers access to information as well as job counseling services that improve resumes and interview skills, and establish networks. In particular voice-based services are important for illiterate job seekers. The internet also brings together jobseekers and employers through inline platforms. While this new phenomenon has the potential to create many new jobs and generate substantial new wealth; online platforms generally serve people with specialized and technical skills. Consequently, this platform may reach few of the most inenarrable. However, innovative technology-based approaches are transforming the ways in which insurance and other cash benefits are provided. Notably, many African countries lack robust systems for identifying people (allowing fraud of various kinds) and preventing many among the poor from accessing social programs. Also, poor I identification hampers efforts to coordinate across government and donor sponsored programs as well as leading to duplication of costs. To confront this challenge, African countries are expected to more to Biometric technology. Here, applications such as mobile phones with finger-pint readers that would allow online vindication of identity acceptable to service providers are now piloted. Another advantage is the back-end part of the social protection systems which allows tracking

of transactions on a regular basis as well as generation of key indicators (reports).

Arguably, the management information system (MIS) is even more important for complex social insurance programs, especially as populations' age and non communicable diseases become more prevalent. In fact, keeping track of work histories allow for a better alignment of pension benefits as well as social security contributions. Essentially, databases of medical histories support a more efficient design of health protocols and payment to health care providers. However, information is no longer the sole domain of these administering the program. Notably, one of the applications of modern technology with the most potential impact is citizen reporting of acts of corruption and negligence through social media. Indeed, massive mobile phone penetration has been an especially empowering tool. And despite the inherent problems, the future of social protection will inevitably include creative way of applying new technology for inclusive development purpose.

Obviously, policies for jobs need to be based on reliable data and rigorous analysis. Given that a large share of the people at work in African countries are not wage employees and that even a larger share lacks social security coverage, the measurement of employment must look beyond whatever formal employment data the country gathers. Thus, determining which jobs have the greatest payoffs for poverty reduction requires linking information on a household's income or consumption with information on the employment of its members. Again, understanding which firms create more jobs; or whether labor reallocation leads to substantial growth rather than just churning;

requires information on the inputs and outputs of very diverse production clits (including micro enterprises). In fact, assessing whether employment experiences affect trust and willingness to engage in society requires information on individual values as well as behaviors. Clearly, such information is necessary to tackle an emerging research agenda on jobs and development.

Indeed, today's challenges regarding labor statistics can be regrouped into three key areas: data gaps; data quality issues; and planning/ coordination/ communication issues. Notably, in some African countries, labor statistics do not exist at all or are collated only sporadically. Even when labor statistics do exist, data quality is a concern throughout the statistical production chain (from the use of appropriate definitions to questionnaire design; from sampling frames to interviewing protocols; and from data entry/coding to verification/estimation procedures). Regrettably, planning, coordination and communication issues are exacerbated when different institutions are responsible for collecting and disseminating the data. Therefore, the most urgent prentices are to inevitably include creative way of applying new technology for inclusive development purposes.

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Again, understanding which firms create more jobs; or whether labor reallocation leads to substantial growth rather than just churning; requires information on the inputs and outputs f very diverse production units (including micro enterprises). In fact assessing whether employment experiences standardize the employment modules attaches to the household surveys used for poverty analysis and to ensure that establishment surveys include informal firms and micro enterprises.

Undisputable, education (both basic and tertiary) provides the basis for building national competitiveness. In other words, the key to sustained growth, competitiveness and economic transformation is a progressive up grade of national technological capacity. Thus, greater emphasis must be given to improving scientific and technological skills, business management as well as other fields that will set the key to unhooking African's productive potential. Basically, this can largely be achieved through a radical restructuring of the existing tertiary education system via auricular reform, appropriate funding mechanisms as well as incentives for emanation and high performance. However, in the short and medium term, human resource development policy should move to return and retool unemployed school graduates from secondary and tertiary educational institutions in order to meet the growing demand for other skills on the labor market.

9.0 CONCLUSION

Generally, rapid and sustained growth is viewed as the main priority for African countries, as a precondition for continued increases in living standards as well as strengthened social cohesion. But transformations in living standards, productivity and social cohesion do not necessarily happen at the same pace. The recognition of these lags and gaps has therefore led to the various qualifiers of growth. However, economic growth, living standards and social cohesion can indeed move together and they often do. It is therefore jobs that bring these three transformations together. In otherworld, all of these transformations are related to jobs. In fact, the development process is about some jobs becoming better and others disappearing; about people taking jobs and changing jobs; and about jobs migrating to other pl aces within and across countries. Eventually, this movement transforms the lives of families and communities; organization of firms; as well as the norms and values of societies. It can also boost productivity and improve living standards while affecting cohesiveness of society.

As a key driver of development, jobs have consequences beyond wages and earnings. In fact, stability commuting time, learning and advancement, opportunities, entitlements to passion benefits as well as other amenities is highly valued by some workers. Indeed, job challenges are not the same every where creating more jobs may be a universal goal but the types of jobs that can contribute the most to development depend on the country context certainly, the level of development matters for African countries who are already grappling with how for the formal economy can be extended, it is bound to be different. Thus, a core set of basic skills (both cognitive and social) is

necessary for productive employment; and they cannot just be acquired on the job. Without such generic skills, the prospects of improving employment opportunities and earnings are thin. Again, skills are critical for African countries to more up the value-added ladder; as they can ignite innovation; produce the benefits of mutual learning; and have lead to jobs creation threshes.

However, when there is clarity about where the good jobs for development are and there is sufficient information to understand what can be done to support the creation of those jobs, a targeted investment climate may be warranted. In addition to rebuilding and strengthening state capacity, a development framework should focus on promoting high, sustainable and shared economic growth through diversification and transformation. This framework should be expended to steer economic and social policies to work in a complementary manner. For African reform programs to succeed there must be significant social reform and a reduction in socio-economic inequalities. Therefore Africa governments must tread carefully to ensure that efforts to reform the economy along free market lines do not undermine the important responsibility of the government to protect and promote the socio-economic rights of her citizens. In other words, the challenge for African government in the years ahead, is how to build strong, vibrant and autonomous organs of civil society through which citizens can influence public policy while asserting for their social and economic right. Consequently, effective governance of economic development requires a capable state that maintain macroeconomic stability as the foundation for successful productive development policy as well as implementing structural (social) policies to unleash productive capacity for immediate

poverty reduction and empowering Africans to realize their full potential (within the context of inclusive development strategies). In alliance with global development partners, this is the times for action.

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