

Mid-Year Report
“Job Creation, Core Labor Standards, and Poverty Reduction”
June 2006

As the German Trust Fund Program, *Job Creation, Core Labor Standards, and Poverty Reduction* enters its final half-year, the focus turns toward finalizing the country-level outputs and disseminating results. This mid-year report provides an update on the research, capacity building, and country-level phases of the workprogram as well as presenting a plan for dissemination activities and reviewing the budget. Finally, it discusses some of results of the TF to date, a theme to be developed more thoroughly in the final report.

1. Research

The project financed 4 papers on cross-cutting themes, all of which have been completed and are in the final stages of re-editing for publication. Papers on labor market demand (#2) and the investment climate (#3) are being combined and will be available soon on the project website. Papers on labor supply (#1) and labor market institutions (#4) are also being edited to a more readable size and short policy notes are currently being developed for each. We expect the editing and notes to be completed by the end of the summer. The papers are being discussed and disseminated at a series of events (See point 4 below). The research papers have been well-received and have catalyzed considerable attention to labor market issues in the region. The synthesis paper will also be completed by the end of the summer.

2. Country Level Activities

a. Burkina Faso

The Burkina Faso project has two components. The first includes activities to support implementation of the employment and social protection aspects of the Burkina Faso PRSP, and the second which aims to strengthen the M&E and statistical capacities of the Ministry of Labor, Employment and Youth (MLEY).

The national Social Protection strategy, as part of the Poverty Reduction Support Credit (PRSC) process, has been completed. The Government and the Bank have started a dialogue on the implementation of the SP action plan in the new series of PRSCs (FY07-09). The background papers and research by national and international consultants to help the Government revise its national employment strategy are also completed and the preliminary findings were discussed in a national workshop in October. Further dissemination activities are planned for this year.

The work on the second component has also proceeded according to schedule. An initial data platform for the LM database has been created and the staff of L'ONEF are being trained how to use the system. The active labor market program M&E manual will be finished this month. Drafts of papers completed to date will be available on the project website by the end of June.

b. Ethiopia

TF-supported work in Ethiopia has focused on (1) enhancing the dialogue among stakeholders around labor market issues; and (2) build statistical and analytical capacity of government partners. Both objectives lend critical support to a comprehensive Bank-financed labor market study.

Since November 2005, the Ethiopia labor market project has started delivering on its expected results. A successful workshop was held in December jointly with the ILO, with high level attendance (the new Vice-Minister in charge of Labor issues in the Ministry of Labor and Social Affairs). The workshop provided an overview of the emerging findings and methodological approaches used in the study as well as a lively debate on how labor market issues could be integrated as priorities in the new draft PRSP (locally known as PASDEP). Material presented at the workshop is available at www.worldbank.org/labormarkets.

An innovative small-scale survey of unemployed and self-employed has been commissioned in Addis. Initial results of the survey will be included in the draft report which will be delivered to the client by the end of the fiscal year (June 30). A workshop for the discussion of the findings is currently on hold as non-critical Bank missions to Addis have been suspended indefinitely as of the 13th of May.

As the situation normalizes, the final workshop will be organized. In the meantime, the team is finalizing the draft report of the overall study. Plans for the rest of the year include: dissemination and capacity building (particularly statistical capacity building) around the findings of the study and an evaluation of an employment generation program (the Addis Ababa Integrated Housing Program, which includes a strong component of employment generation and skills creation through SME support). The country team is actively collaborating with the local GTZ office on this activity.

c. Ghana

The work in Ghana so far has involved the development of a Steering Committee for the project which includes the GTZ, ILO, World Bank, other donors (notably DANIDA) as well as the government. The Minister of Labor has just nominated the government representatives and terms of reference have been drafted. The Steering Committee is expected to meet shortly to decide on consultants to work on the labor market policy component. Contracts will be in place by July and a revised budget will be submitted at that time which specifies a disbursement plan for the remaining 6 months. The capacity building component targeting labor market statistics generation and monitoring will follow the model of the work done in Burkina Faso. The team leader of that project will assist.

3. Capacity Building

a. PhD Training Course. Preparations for the capacity building component “Labor Economics Intensive Training” is underway and will be held in Nairobi, Kenya from June 5-16 2006. The Institute for Labor Studies (IZA) will teach 24 PhD students from the African Economic Research Consortium’s Collaborative PhD Program for Sub Saharan Africa. The students are traveling from the four core participating universities (Ibadan, Younde II, Dar es Salaam and Cape Town). The objective is to increase the capacity for quality labor market research on Africa, which is at the moment very limited. The project will include a 2-week labor economics course, supervision of ongoing research, a research conference and a short term fellowship for selected students to IZA.

b. Jobs for a Globalizing World: Labor Market Policy Core Course. The course was held February 27 – March 10, 2006. Again this year, the German Trust Fund provided scholarships to participants from Africa. This year, trade union representatives from Ghana, Mauritius, and South Africa were supported, as were 3 members of the Ghana Ministry of Labor.

c. The only remaining capacity building component is the ILO-led workshop on PRSP in Ghana.

4. Dissemination Plan – internal and external events

Currently five dissemination components are planned/underway, four of these internal within the World Bank, and one – the final workshop – targeting a large external audience.

a. Internally

i. World Bank Poverty Reduction and Economic Management Network (PREM) Conference

A session on African labor markets was accepted at the PREM Conference 2006. The session, “Is African Growth Creating Good Jobs?,” was held April 26 and featured Louise Fox presenting an overview of labor market trends in Africa based on the analytical work from the TF; Francis Teal presenting his research from paper 2 on labor demand; and Alan Gelb, former chief economist for the Africa Region, discussing his work on African competitiveness. The discussion was chaired by the Executive Director of the Federal Republic of Germany, Eckhard Deutscher. It was very well attended and included lively discussion. A paper summarizing the session and the debate will be published as part of the conference proceedings.

ii. Brown Bag Lunch Seminar, Labor Market Institutions in Africa

The paper on “Labor Market Institutions in Africa” by Jean Paul Azam et. al. will be presented at a Brown Bag Lunch (BBL) at the World Bank on July 11. We have invited the ILO to provide a discussant to comment on the presentation. The paper and discussion will cover core labor standards and industrial relations in Africa. It will be sponsored jointly by the Social Protection and Labor Hub and the Africa Region Human Development department

iii. Brown Bag Lunch Seminar, Combining Labor Market Analysis, Strategy Development, and Capacity Building at the Country Level

Using the examples of Burkina Faso, Ethiopia, and Ghana (if ready) the results of the country studies will be presented and discussed to a broad audience at a Brown Bag Lunch at the World Bank. Again co-sponsored by Social Protection and Labor Hub and the AFR HD team, this event is likely to take place in September.

iv. Africa Region Chief Economist Breakfast: Conducting Labor Market Analysis in Africa.

This event will also draw on the country-level work supported by the TF, but focus on the analytical work and methodology useful for labor market analysis in low-income countries. The discussion will highlight methodological challenges of data scarcity and the conceptual issues involved in applying traditional concepts such as unemployment in countries where the unemployed may be the relatively better off and the informal sector includes a wide range of incomes. The event will be sponsored by AFR Chief Economist office. It is planned for fall 2006.

b. Externally

The final conference is proposed for **October 2006** and will bring together African stakeholders, including policy-makers, African social partners, other African institutions and researchers, as well as ILO, GTZ/BMZ, and other donors. The conference will disseminate the findings from the TF and discuss how to translate the research and

experience so far into policy recommendations and outcomes. A concept note for the final workshop has been discussed internally and will be revised and circulated to Steering Committee members by the end of June.

5. Impact within the World Bank

Overall the Trustfund Project has been a driving force behind building momentum on labor market work in Africa in various ways. It has pushed for new thinking in the traditional concepts of labor markets and has scaled up attention to labor markets within the Africa Regional department and provided an impetus for greater knowledge sharing among WB staff about methodological and policy challenges.

The project laid the groundwork for applied research and policy development in the area of labor markets. In focus countries, it has supported efforts to raise the profile of labor and social protection issues, even to the extent of being incorporated into the Poverty Reduction Strategy Papers. The project also substantially increased/improved the interaction between the World Bank and other interested stakeholders, including the ILO, bilateral donor institutions, and stakeholders at the national level such as Ministries, trade unions, and employers' organizations and local research institutions.