

**KEYNOTE ADDRESS BY H.E. DR. JAKAYA MRISHO KIKWETE,
PRESIDENT OF THE UNITED REPUBLIC OF TANZANIA TO THE
UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL,
30TH MARCH, 2015
“ACHIEVING SUSTAINABLE DEVELOPMENT THROUGH
EMPLOYMENT CREATION AND DECENT WORK”**

Your Excellency, Mr. Stefan Lofven, Prime Minister of Sweden;

Your Excellency Mr. Peny Gladstone Christie, Prime Minister,

The Commonwealth of Bahamas and Chair of CARICOM;

Your Excellency, Ambassador Vladimir Drobnjak, Vice

President of ECOSOC and Chair of ECOSOC 2015 Integration

segment;

Your Excellency Mr. Jan Ealiasson, Deputy Secretary General

of the United Nations;

Ladies and Gentlemen;

I thank you Mr. Vice President for the invitation and for associating me with the 2015 ECOSOC Integration Segment. I find the theme **“Achieving sustainable development through employment creation and decent work”** to be very opportune.

Indeed, these are core issues for ensuring meaningful human development, prosperity, security and social stability within nations and in the world at large.

Mr. President;

I was happy to learn that, this matter is now getting serious attention. I am told the Open Working Group (OWG) on Sustainable Development Goals, has included decent work and employment creation to be among the 17 goals of Sustainable Development. In the African Union's Transformative Agenda 2063, African countries have been directed to pursue sound programmes that will create shared growth, decent jobs and economic opportunities for all. In the Common African Position (CAP) on Post 2015 Development Agenda adopted by the Assembly of Heads of State and Government of the African Union in January, 2014, these issues were also underscored.

The Nexus Between Sustainable Development

Employment, Creation and Decent Work

Your Excellencies and Distinguished Delegates;

As we meet here today, there are, globally, **201 million** people unemployed and the number is expected to increase by **80 million** in the coming 4 years. This means, there is need to create additional **280 million** jobs by 2019 to cater for the new entrants in the labour market. Also, we must remember that, almost half of the world's employed people are still working in vulnerable conditions, with no guaranteed access to decent work and social protection. Unfortunately, women are the majority of such people. This is not acceptable, we must find ways of ensuring that work everywhere is decent and there is social protection.

The situation in Africa is worrisome and calls for even urgent and special attention. Statistics tell us that African countries created **37 million** jobs only, over the last decade. Out of these jobs only **28 percent** were qualified to be called decent jobs. At the same time, it is estimated that there are **122 million** new entrants in the labour market annually in Africa. This is scaring when one considers the fact that almost **200**

million people in Africa fall within the age of **15 and 24** years. It is estimated the number will double by 2045.

This means, therefore, that there will be too many unemployed people in Africa, the majority of whom will be young men and women. This is both an opportunity and a challenge. It is an opportunity in the sense that when an investor looks for employees they will be readily available provided they meet the skills he needs. But, it become a challenge if jobs cannot be found and these huge armies of unemployed youths who increase in numbers every other year, could become a threat to social stability and to security of the country. Some may indulge in criminal activities and cause social and security problems. While some may be recruited by bad people with all intentions be they social, political or religious and become disruptive elements in society, nations or the world. Rebellions and terrorist groups fill their ranks and thrive from unemployed youths.

It is important, therefore that, job creation becomes a critical component of the development agenda, plans and

programmes of all nations. Of course, jobs are created best when economies are growing. As such putting in place sound economic policies which will engender growth of the economy is a matter of essence. Also, it is important to note that, growth takes place where there is investment. Therefore, creating an enabling environment to attract investors to come and invest is what will actually create and deliver jobs. So developing nations, must strive to have sound economic policies as well as attractive investment climate.

The Africa Dilemma

Your Excellencies and Distinguished Delegates;

Many African countries, including mine, have registered good economic performance over the last two to three decades. Today, more than **10** African countries enjoy growth rates averaging **5 – 6 percent** which is higher than the global average. Africa's collective GDP is estimated to hit **2.6 trillion US Dollars** in the next five years, making our continent one of (if not) the world's fastest growing economic regions. However, beneath this success story lies the painful reality of

high unemployment and poor working conditions in the few jobs available mostly found in the informal sector.

The truth of the matter is, the number of young men and women who enter the job market are far more than the jobs being created. I hope at this meeting we will share ideas about how African nations can tackle this problem and get advice about what we should do to attract more investments.

I would also appreciate advice and possible support about ways of assisting our young people with self employment. How to assist them about to start and run a business and how to source capital. Honestly, we need special programmes and projects to address this urgent matter. Governments must play a role as well as development partners, the private sector and other interested associations. Support to programmes on self employment will surely make a difference. It makes economic and social sense. We must know that the problem of unemployment can destabilise or even topple good governments. Appropriate action in this regard is a matter of utmost agency.

Excellencies;

Much as we all agree on the need and importance of achieving sustainable development through employment creation and decent work, we must not lose sight of the realities of the world we live in. I say so, because countries on this planet are at different levels of development as a result they have different capabilities to deal with these overarching challenges of our time.

While to some countries and regions the focus is on making the available jobs decent and creating more decent jobs, we in Africa are simply struggling to create jobs first and foremost. The issue of the jobs being decent comes later. The idea here is first keep the stomach of hungry men full before talking about balanced diet. Ideally the two should be done simultaneously because jobs being decent is just as important. Decency of jobs should not be compromised. There should be clear standards and regulations which must be strictly respected. Where jobs were created first before decency being observed, it should not be allowed to remain that way. The

regulators must do their job to ensure rules are followed to the letter and spirit.

Another challenge we have to contend with is that of striking the proper balance between preserving the environment on one side and promoting growth and creating jobs to meet urgent problem of unemployment on the other. This is an African and a global dilemma that needs to be addressed.

Excellencies;

It is evident that, at the current state of development, many of our countries in Africa will not deliver adequately on sustainable development through job creation and decent work. They are faced with a plethora of other challenges as such they have compelling limitations and handicaps. Mind you, Africa is home to 34 of the Lest Developed Countries in the world. African nations must, therefore, be assisted if they are to keep pace and catch up on our common goal of making extreme poverty history by 2030.

Excellencies;

Africa has demonstrated, strong desire and commitment to change its course for the better. Most African nations have undertaken socio-economic reforms which have worked well so far. On the economic front for example, pursuit of sound macro-economic policies has been responsible for the strong economic performance which Africa is being applauded for. We are, indeed, witnesses to better economic management, high economic growth rates, visible progress in the social-economic life of nations, and more people are being lifted out of poverty. However, the pace is not good enough and not deep enough. Rest assured that, we in Africa, would like to do better, faster, deeper and broader had it not been for our underdevelopment.

Africa should therefore, be assisted in the implementation of programmes and projects which will promote socio-economic growth, create jobs, increase people's incomes, eradicate poverty and enable people to live a decent life. I believe this is the right and best thing to do by the developed countries. The waves of boat people trying to enter Europe will

not end as long as long poverty and unemployment persists unabated. As long as pasture is brown in Africa and green in Europe the flow won't stop. Help make the pasture green.

Excellencies, Ladies and Gentlemen;

Fortunately, there is, also, demonstrable progress on the governance side in Africa. There is marked improvement on the political, ethical, democracy and human rights fronts. Of course, the rate of success varies from one country to another, but the common denominator is that things are happening and steady progress is being registered in all African nations.

This is why today, we talk about Africa rising. Indeed, the continent is on the ascent. If the social, political and economic gains are sustained for another two to three decades, most of the LDCs in Africa if not all, will become middle income countries. The current lower middle income countries will become high middle income countries or be on the threshold of graduating into developed country status. Some may even become developed economies.

Tanzania's Experience and Contribution

Your Excellencies and Distinguished Delegates;

We in Tanzania too, have set our sights on becoming a middle income country by the year 2025. This is the overarching objective of the Tanzania Development Vision 2025 launched in the year 2000. In 2010 we conceived the 15 year Long Term Perspective Plan which is divided into three medium term plans of five years each. The purpose of doing so was to guide the implementation of the objectives of the Vision in a structured manner for the remaining 15 years.

The Vision is informed and cognisant of the need for the economy to grow at a fast pace, develop human capital, increase people's access to basic social and economic services, reduce income poverty and create a conducive environment for growth of the productive and service sectors. Also, sound environmental management policies and practices have been emphasized. Good governance, democracy, human rights and rule of law have been underscored in the Vision as well.

The implementation of the Vision and the First Five Year Development Plan is going on well and the results are

encouraging. Of course, our inability to mobilise all the financial resources required to implement the various programmes and projects has been a serious encumbrance. Had we been able to mobilise all the requisite resources, I believe, Tanzania would have been better off than what we are today.

Excellencies, Ladies and Gentlemen;

These challenges notwithstanding, significant progress has been made so far. Macro-economic indicators are on good stead. Average GDP growth has been at **7 percent** for the last decade and a half. GDP per capita has increased from US Dollars **375** in 2005 to **US Dollars 695** in 2013 (*base year 2001*). However, with 2007 as the base year GDP per capita in 2013 was US Dollars 948) which comes close to the threshold of US Dollars 1,045 that defines a middle income country. The number of people who live below the poverty line has been decreasing steadily but not at the pace I would have desired. For example, in 2000 they were **35.7 percent**, **33.7 percent** in 2007 and decreased further down to **28.2 percent** in 2012.

We scaled up on the availability of basic social and economic services to our people. Today more Tanzanians have access to education, health care, electricity, water supply, roads, telecommunication, financial services etc. More roads are paved, these days than ever before to the extent that Tanzanians can get to any place in the country on the same day. In the past, it had to take not less than two days or more.

More young men and women have access to education from kindergarten to university. Primary school enrolment is at **98 percent** and all students who pass primary school leaving examination get a place in secondary school. Between 2005 – 2014 there were **4,576** secondary schools compared to **531** that were there in 2005. The student population has increased from **524,325** in 2005 to **1,804,056** in 2014. The number of vocational training institutions has increased from **184** in 2005 to **744** in 2014 and so has the number of students getting skills training at these institutions. With regard to university education the number of students increased from **40,719** in 2005 to **200,986** todate.

We have done similar expansion with regard to health care. We have built more dispensaries, health centres and hospitals. As a result more people have access to better health services and we are witnessing reduction in numbers of people who contract and die of diseases which used to kill a lot of people. I have in mind diseases like malaria, HIV, TB and others. It is also the case with child mortality and maternal mortality although we need to do more on the latter. As a result of all these achievements on the health front life expectancy is on the increase. It is now 61 years compared to 47 two decade ago.

Transforming the Rural Economy

Your Excellencies and Distinguished Delegates;

In our quest to reduce the number of people who live below the poverty line, we decided to give special attention to agricultural reform and rural transformation. We decided to do this because the majority of the poor people live in rural areas and depend on agriculture for their livelihood. Therefore, increased productivity and production meant food security and

increased incomes to farmers thus lifting many out of poverty. Improvement in the availability of basic services improves their living conditions and productive capacity.

Three initiatives are worth mentioning in this regard. The Agricultural Sector Development Programme, Kilimo Kwanza and the Southern Agriculture Growth Corridor of Tanzania. There are positive changes happening in our agriculture and rural economy. For three years now, Tanzania has enjoyed surplus food production. The challenge now is about how to increase storage and get assured market for the surplus produce. We are working on resolving those challenges. I believe current plans to establish a Commodity Exchange will help address them.

Excellencies, Ladies and Gentlemen;

These measures and achievements notwithstanding, I acknowledge much more needs to be done to see increased agricultural productivity and production through modernization of crop and animal husbandry and improving the availability of requisite support services to farmers

including financial services. Implementation of the three initiatives and the establishment of the agricultural development bank will help Tanzania's agriculture.

Excellencies;

The other important programme being undertaken by the government which will help rural transformation is rural electrification. So far **3,836** villages have been covered and the plan is to reach another **1,500** villages by June, 2015. This means, **43 percent** of the **12,423** villages will be covered. Rural electrification will be a significant step in rural transformation in view of what electricity can do as a catalyst of development.

Overall, we have made encouraging progress with regard to electricity coverage in the country. In 2005 only **10 percent** Tanzanians had access to electricity, in 2014 that number had increased to **36 percent** compared to **32 percent** for Sub-Saharan Africa. This is not bad at all but at the African and global level our coverage is too little. First we want to catch up and surpass the average Africa coverage of **43 percent**. That is

why electricity development is a priority programme in my government's development agenda.

We are also taking action to expand and advance manufacturing, mining tourism, ICT, trade and other services for the sake of promoting growth and creating jobs. So far, so good and we are seeing a lot of jobs being created in these sectors.

Social Protection

Your Excellencies and Distinguished Delegation;

When we talk about sustainable development, job creation and decent work, we should also discuss social protection. In Africa, Tanzania included, social protection schemes largely cater for those who work in formal employment. In 2012 we undertook reform of the social security system to include the hardworking people in the informal sector like farmers, traders and others. It is beginning to show positive results. With the total working population estimated to be **22.5 million**, and employment in the formal sector at **1.55 million**, the total membership of social security schemes was at **1.95 million** in

2013/2014. This means, about **400,000** new entrants have been enrolled in the Social Security Scheme from the informal sector in just two years. Therefore, we can do better if we stay the course of encouraging people in the informal sector to join social security schemes. I am confident we will succeed in this ambitious goal as well.

Informal Economy

Your Excellencies;

Ladies and Gentlemen;

The informal sector is huge and remains a major source of employment in Africa and in Tanzania. It accounts for **70 percent** of employment in Sub-Saharan Africa, **80 percent** of the total labour force and contributes **55 percent** of the GDP. In Tanzania the contribution of the informal sector has been decreasing from **43.6 percent** of the GDP in 2005 to **39.7 percent** in 2010. In 2014, its contribution decreased further to **30 percent** of the GDP.

It is in the best interest of the national economies in Africa and those engaged in the informal economy to have the

informal sector formalised. It makes pursuit of decent work easy. It also broadens the tax base. Improvement in legal regime governing business which makes it possible for financial institutions to lend money to small and medium enterprises in the informal sector is one way of doing it. The expansion of financial services through mobile phone technology is another. It has not only promoted financial inclusion, in an unprecedented way, but also has encouraged formalization of informal business.

Excellencies;

Let me mention here that through mobile phone financial services, the number of people with access to financial services in Tanzania has increased from **17 percent** in year 2012 to **43 percent** in year 2013. Our financial inclusion target is to reach **50 percent** by 2016. I believe we will attain it before that time. By 2014, about **10 million** people were using electronic payments with transaction having reached a phenomenon **one billion US Dollars** per month. This is a tremendous achievement.

Conclusion

Your Excellencies and Distinguished Delegates;

I have tried to share my thoughts and our experience on job creation, decent work as means to achieve sustainable development. I believe it is achievable. If there is cooperation among all the players both in the public and private sector, together we can deliver on sustainable development, job creation and decent work. We have seen the underlying potential to achieve more if we invest more and wisely.

Let us rise to the moment.

I thank you all for listening.

