



## **Inputs from African labour market organisations to the Danish strategy for increased engagement in Africa**

The Danish Government is drafting a new strategy for a strengthened Danish engagement on the African continent. The Danish Labour Market Consortium (3F, DTDA, DI) has been conducting local roundtable discussions with the aim of gathering African labour market stakeholders' viewpoints on Denmark's strategy. Since February 2024, the roundtables gathered inputs from more than 70 individuals representing local employer organisations and trade unions in stable countries such as South Africa, Kenya, and Ghana. This document synthesises these inputs but does not reflect the full range of viewpoints of the Danish Labour Market Consortium and its member organisations.

During the round table discussions, the African labour market parties (social partners) expressed an overarching consensus that the current Danish engagement in the respective countries has positive effects. Denmark is a respected partner. There was however also a strong belief that Denmark could do more to address two of their main challenges: The decent work<sup>1</sup> deficit and the skills gaps.

The partner organisations mainly pointed at the need to develop local industries and more investments from Danish companies and government but so far, little was seen in this regard. At the round tables and at the African-Nordic Ministers of Foreign Affairs summit in Copenhagen in May, the need for more focus on trade and support to technical and vocational education and training was emphasised by all African ministers in the panels at the summit.

The African labour market parties believed a more coherent Danish support should aim at creating a stronger local economic basis for sustainable job creation and development by promoting social dialogue and assisting both in terms of trade and aid. Meeting EU requirements (ESG and other) and developing more sustainable African-European trade were mentioned as important areas of assistance. The Danish engagement should put more emphasis on the following three points to facilitate development of local value chains, industries, and governments. These points are seen as interconnected and will need simultaneous focus to create synergy and contribute to sustainable long term job creation:

1. A just green transition.
2. National TVET systems and closing of skills gaps, and
3. Framework conditions.

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<sup>1</sup> Decent work" = creation of employment with labour rights including occupational health and safety, social security, and social dialogue).

## 1. A just green transition.

*A just transition means reducing greenhouse gas emissions and adapting to climate change without sacrificing decent employment, rights, and welfare. There is a need to further support the transition to a just, green economy and develop local value chains and foster own production and processes. Foreign investments in Africa should contribute to this change and bring new technologies while also focusing on local value addition. Labour market partners are aware that a just transition requires a change from reactive to proactive initiatives by them.*

- Investments in a just transition process should address issues of environmental and workers' rights – this includes clauses on environmental protection and decent jobs.
- The Danish government should support and advocate for long term investments in – and trade agreements with - African countries and provide support to local value chain development and quality public services (education, health, etc.).
- Support development of local value chains where African countries have growth and trade perspectives, for example agricultural value chains, but in collaboration with private companies.
- In negotiations and implementation of trade agreements, labour market partners should be involved and provide inputs. For instance, retention of workers and reskilling as part of a just green transition process is high on the agenda of social partners.
- More external capital to de-risk and finance environment-friendly and green investments adhering to international labour standards and decent jobs.

## 2. National TVET systems and closing of skills gaps.

*The development of local value chains and investments cannot succeed without access to skilled labour. Currently, the local TVET systems are to a large degree unable to deliver this, especially when it comes to green skills. Moreover, the formal economy cannot create enough jobs for the large young population entering the labour market each year. Thus, initiatives targeted towards the TVET sector play a crucial role to ensure job creation and support a just green transition.*

- Strengthen basic capacities at primary and secondary schooling and as well strengthening local TVET-systems.
- There is a need to ensure a skilled workforce and to create links between labour market needs and the training provided at the Technical and Vocational Education and Training Institutions.
- Denmark should support sectorial skills mapping initiatives to identify (future) areas of demands within the countries.
- Local training programs should be based on a dual-education and practice-oriented approach with involved workers' and employers' organisations. The Danish TVET system can provide valuable inspiration for this.
- Denmark should support partnerships between TVET institutions and industry stakeholders to link skills development directly to sector needs.

- Private and public investments from Denmark should encourage use of the local workforce, both skilled and unskilled.
- There needs to be a focus on inclusivity in labour market policies and decisions to underline the need for labour rights, gender equality, working conditions, decent jobs, social protection, and skills development – both for formal and informal workers.

### **3. Framework conditions**

*With an increasing focus on local production chains, and the general development of the labour market the partners recognise the value of national framework conditions. The labour market partners support better national regulation of the labour market and the need for international investments to adhere to these. These conditions need to follow international law and conventions and be further negotiated by the national stakeholders.*

- Denmark should explore financing options for local infrastructure projects with the involvement of local expertise, contributing to job creation and infrastructure.
- There is a need for more risk willing capital and better financing for both local companies and foreign investors.
- There needs to be a focus on good governance and transparency in economic decisions without state interference and bureaucracies.
- Investments need to consider the role of local policies in value chain development and labour market policies. Trade and investment agreements should be made with respect for labour rights and development and use of local labour force.
- Improve framework conditions (energy, IT, industries, education, health, social services, housing, agriculture, waste, etc.) and regulatory policy frameworks (labour market, good governance, corruption, trade, export, taxation, etc.) in consultations with labour market partners. The aim is to promote conducive business environments and workers' rights and decent jobs in formal public/private industries and the informal economy.
- There is a need to support production companies in meeting standards, production and exportation of goods policies, quantity of goods exported, etc.
- Denmark should foster relationships of equals to ensure fairness and inclusivity in labour market policies and decisions (particularly equal opportunities to women and youth).
- There is a need to push for a national social protection (and pensions) for informal economy workers.

### **Social dialogue in African labour markets.**

Above recommendations require collaboration between governments and local labour market partners that know the realities on the ground – particularly on common interests such a just green transition, skills development, gender equality, environments and occupational safety and health (and productivity), and better framework conditions to provide quality public

services. Social dialogue and negotiations between parties also include on e.g. salaries, skills, working hours, and general working conditions.

With increasing foreign investments from new actors intensifying in Africa, labour market partners are underlining the need for social dialogue and consultations between governments, public/private employers and workers before trade agreements and investments are entered.

To sum up, the Danish government is recommended to continue the involvement of local labour market partners and to work more strategically with them in the Danish engagement in Africa to support a just green transition as well as vibrant economies, democracies, and stable societies.