

Famara L Jatta: Human resource management for economic development in The Gambia

Keynote address by Mr Famara L Jatta, Governor of the Central Bank of The Gambia, at the opening session of the Regional Course on Human Resource Management for Economic Development, organised by WAIFEM, Banjul, 24-28 July 2006.

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Director General, West African Institute for Financial and Economic Management (WAIFEM),
CBG Deputy Governors,
Directors of the Central Bank of The Gambia,
Distinguished Guests,
Course Participants and Facilitators,
Ladies and Gentlemen,

1.0 Introduction

On behalf of the President, His Excellency, Alhaji (Dr.) Col. (Rtd.) Yahya A. J. J. Jammeh, the government and people of the Republic of The Gambia, it is my honour to welcome all of you to the opening ceremony of the **Regional Course on Human Resource Management for Economic Development**. I would like to specially welcome Dr. Chris Itsede, Director General of the West African Institute for Financial and Economic Management (WAIFEM) and his team to our country. To our visiting facilitators and participants, especially those visiting for the first time, I extend a warm welcome to you.

2.0 Human capital formation and economic development

Let me start by commending the organizers of this course, the West African Institute for Financial and Economic Management (WAIFEM) for the initiative. The theme of the course, "**Human Resource Management for Economic Development**" could not have been more timely and relevant, coming, as it were, against the backdrop of growing concern about Africa's large army of the unemployed. Indeed, one of the most difficult development challenges facing virtually every African country today is employment creation. Unemployment is indicative of sub-optimal development and utilization of the stock of human resources in a country. Yet no nation develops without systematically building and putting into productive use its human capital. Indeed, there is a consensus that the degree of development of a country is a reflection of the quality and quantum of its human capital. The rapid economic growth and development of the Asian "tigers" and "dragons" were a direct product of deliberate and sustained investment in human capital formation by the countries over a period of time. Using public expenditure as a proxy for investment in human capital accumulation, no Sub-Saharan African country has met the UNESCO benchmark of 26 per cent of the government's budget as expenditure on education. Many of the South Asian countries surpass the threshold.

A cardinal objective of economic policy is to ensure full employment. Macroeconomic policy provides a good opportunity for job creation in Africa. For instance, fiscal policy has a particularly strong impact on the level of employment in African countries where the public sector is the biggest spender and employer of labour. Africa's persistence with economic reforms over the years has started yielding positive returns. For the first time in almost a decade, Africa recorded 4.6 per cent growth in 2004 according to the United Nations Economic Commission for Africa. Nevertheless, the growth rate fell short of the 7 per cent required to achieve the Millennium Development Goal to halve extreme poverty and hunger by 2015.

3.0 Nature and causes of poverty in Africa

A basic cause of poverty is economic disempowerment which manifests itself in what Nobel Laureate, A. Sen, (1999), defined as **income deprivation and capability deprivation**. In Africa, the incidence of poverty is compounded by political and social strife as well as military conflicts which impede economic activities. Yet, progress in poverty reduction will only come about through sustained

employment-creating economic growth. In spite of this obvious reality, job creation has not been put in the forefront of Africa's economic reform agenda. Rather, the pre-occupation has been with macroeconomic stability.

3.1 Growth without employment

The demand management orientation of the economic reforms invariably occasioned cuts in public sector employment. As a result, according to a joint study by the International Labour Organisation and the United Nations Development Programme, new entrants into the labour market ranging from about 400,000 per annum in Uganda through 700,000 in Tanzania to about 6 million in Nigeria have to look up to the private sector for jobs. The private sector could hardly absorb up to 5 per cent of the new entrants. This is why the observed recent robust growth has not been accompanied by a commensurate growth in employment and poverty reduction. One reason for this is that the growth has been driven mainly by the extractive sector which empirically has a low employment generating capacity. Perhaps more fundamentally, employment creation has not been strongly mainstreamed in the poverty reduction strategies and development programmes of African countries.

4.0 Towards embedding employment in macropolicy

Various strategies have been advocated for African countries to mainstream employment in the macroeconomic policy framework. I will limit my remarks to a few of them. The logical starting point would be for a country to identify its entry points for employment in its macropolicy framework. This would involve linking employment generation to sectoral priorities. Formulation of employment-friendly policies with appropriative incentives is a critical element in the process of mainstreaming employment in macropolicy. The final stage involves the mobilization and effective use of resources for employment creation; this includes domestic resources and external aid.

Critics of globalization have blamed the process for constraining employment creation largely due to the adoption of liberalized investment policies. My take on this is that African countries should mainstream their employment creation policy in the Bilateral Investment Agreements (BIA) they negotiate with foreign investors. The adoption of employment-friendly technology is also a sustainable way to tackle the employment challenge. As much as is practicable, it makes sense for African countries to adopt labour-intensive techniques of production, especially in the construction of large public works and infrastructure. This is a tested approach which has been successfully used time and again to reduce unemployment in many countries including today's industrialized countries. There is no reason to fear that it would not work in Africa.

5.0 Role of the human resource manager

While it is important that at the macro level, appropriate policies should be adopted to enhance employment creation, it is equally imperative that at the micro level, human resource managers take necessary measures to ensure efficient and effective utilization of their organization's most valuable asset – the stock of human resource. Studies have shown a positive correlation between a well trained and motivated workforce and productivity. Although it is total factor productivity that determines the level of national output in the long run, and hence the per capita income, the contribution of the human resource component to total factor productivity is indubitable. As a human resource manager, you must recognize your role as a critical link in this process and see yourself as a change agent in a complex web of actions and feedback. One of the strategies usually adopted by the human resource manager to raise and sustain productivity is to match training interventions to organization culture and management style. It is for you to understand the strategic objectives of your organization and adopt an approach to human resource management most appropriate to its goals.

6.0 Conclusion

Ladies and Gentlemen,

Looking at the caliber of facilitators and the work programme before you, I have no doubt that all the issues lined up for discussion will be dealt with competently. I urge you all to take full advantage of this

programme to share your practical experiences with one another even as you further sharpen your insights into the issues through interaction with the expert team of resource persons.

I know you have a crowded training programme ahead of you and are anxious to set the ball rolling. Before I leave you to proceed with the technical aspects of the course, I would like to invite you all, especially our foreign guests, to take time out of your busy schedule to visit the many tourist attractions and to feel at home.

It is now my honour and privilege to declare this course open.

I thank you for your kind attention.