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PREPARATORY GROUP

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COMMITTEE'S DELEGATION TO THE 17th ANNUAL MEETING
of
REPRESENTATIVES OF ACP/EEC ECONOMIC AND SOCIAL INTEREST GROUPS

DISCUSSION PAPER

prepared by
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Employment creation in the framework of decentralized cooperation
and the role of the economic and social interest groups

Sent on: 24 August 1993

To the Members of the Preparatory Group
(Preparation of the 17th Annual ACP/EEC meeting)
(Section for External Relations and Trade and Development Policy)

N.B.: This document will be discussed at the first meeting of the Preparatory Group at 2.30 p.m.
on 13 September 1993.

Brussels, 3 September 1993

**PREPARATORY GROUP
of the
COMMITTEE'S DELEGATION TO THE 17th ANNUAL MEETING
of
REPRESENTATIVES OF ACP/EEC ECONOMIC AND SOCIAL INTEREST GROUPS**

**CORRIGENDUM
to the
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Employment creation in the framework of decentralized cooperation
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Sent on: 3 September 1993

To the Members of the Preparatory Group
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I. INTRODUCTION

1. The 17th Annual Meeting of representatives of ACP/EC economic and social interest groups is taking place at a particularly difficult time for the Community and for the many ACP countries which are facing serious economic problems and major fundamental political changes. Joblessness is a major concern nearly everywhere. The adverse economic situation has pushed unemployment up to worrying levels.

So as to overcome this crisis, a decision has been made to put every effort possible into encouraging stronger economic growth; this calls for more attention to the way financial instruments are employed.

In addition, international changes over the past few years have meant that the European Community has also had to commit itself to helping the fledgling Eastern European democracies.

1.1. The Community and its individual Member States nevertheless continue to shoulder the bulk of the burden of aid to ACP countries. In broad terms, the contribution made by the USA and Japan is significantly lower than Europe's contribution. OECD figures show that the total net flow of public money for development aid from the eight European members of the Development Assistance Committee amounted to 25,794 million dollars in 1991; the equivalent figure for the USA was 11,362 million dollars and for Japan, 10,952 million dollars.

1.2. Unfortunately, this aid has most often proved to be unsuited or inadequate for putting many of the ACP countries back on their feet. It is widely recognized that several countries in eastern Asia have managed to achieve economic growth and absorb their workforce in new activities, and that a number of Latin American countries have also been successful, although to a lesser extent. But most ACP economies are being sidelined in international economic terms. World Bank figures indicate that the general poverty index reached 47.8% in 1990 in sub-Sahara Africa and that between 1982 and 1992, the annual rate of change in income per capita fell 1.1%. This is due to a whole series of internally and externally triggered disfunctions which have had social repercussions, particularly on employment.

1.3. Against this background, the watchwords for development and cooperation should be efficiency and austerity. However this should not - in the framework of the present day "planetary village" (Mac Luhan) - exclude solidarity and co-responsibility.

1.4. It is against this backdrop that the meeting will have to assess the contribution which economic and social organizations can make to job creation through decentralized cooperation.

1.5. Previous meetings have drawn attention to a whole series of issues pertaining to this subject matter:

- support and expansion of decentralized cooperation (1992);
- encouraging a spirit of enterprise in and support for the private sector, so as to improve living and working conditions of economic operators in this sector (1991);
- implementation of decentralized cooperation in training programmes of socio-economic organizations which reflect the requirements of SMEs (1990);
- the increased importance of local communities in economic development and the complementary nature of public and private investment (1987).

The 1992 meeting also expressed the wish that economic and social interest groups be consulted on development policy and its implementation. They should be consulted at the strategic planning stage and not just when difficulties emerge after the decisions have been taken.

II. EMPLOYMENT IN ACP COUNTRIES

2. Current situation

2.1. The OECD has highlighted the virtual absence of data on unemployment in Africa, and Appendices 1 to 19 confirm that statistics are not reliable enough for a precise assessment of the employment and unemployment situation in ACP countries.

2.2. Despite these shortcomings, an attempt should be made to assess the situation.

Since 1986, the working population in developing countries, excluding China, has been increasing at an annual rate of 2.3%, i.e. is set to double in 30 years (OECD). ILO figures show that, even on highly optimistic assumptions, the labour force in sub-Sahara Africa will increase at a rate of 3.3.% in the 1990s, while productive employment will only increase by 2.4%.

While the labour force is expanding, growth in salaried employment has slowed down or become negative. Moreover, such employment is generally hallmarked by low and often falling wages, meagre worker protection, persistent low productivity and worsening social inequalities between privileged groups and those who are the most disadvantaged and most affected by the crisis.

Unemployment, which is impossible to quantify in ACP countries, is the inevitable consequence. Those most affected are young people, women, migrant workers and older workers. Unemployment amongst young people seems to be especially widespread in sub-Sahara Africa; a recent survey shows that unemployment amongst young people is as high as 56% in Abidjan.

In rural areas, the possibilities for absorbing labour are non-existent and are even diminishing, often for lack of a minimum of investment; this is all the more the case because land quality is deteriorating in some areas at least.

The informal sector is often considered to have, in the past, soaked up the labour surplus (in sub-Saharan Africa the informal sector reportedly accounts for 60% of the urban workforce, twice the figure for the formal sector which employs only 10% of the total workforce); some people today feel that the informal sector is nearly saturated and does not offer viable opportunities for newcomers.

Finally, one last factor aggravating the labour market imbalances: emigration of skilled workers. In 1987 it was estimated that in Africa one third of this part of the workforce had emigrated to Europe. In addition to the resultant human-resources deficit, the exodus reduces the scope for training future managers and the net result of the lack of local managers is the employment of foreign managers, which places a heavy financial burden on the economy.

2.3. The roots of the employment crisis

This deterioration in urban and rural employment is rooted in a number of domestic and external factors.

On the domestic scene the following factors are to blame:

- a general pattern of political instability and frequent conflicts;
- widespread misuse of resources;
- before 1980, employment was swelled by development of the public sector, para-statal bodies, and major infrastructure work accompanying the early stages of industrialization. An unbalanced employment situation often ensued, with too many senior executives and not enough medium- and lower-grade personnel;
- gradual deterioration of agriculture caused by a population shift to urban centres;
- for political reasons, the economic and social interest groups lost ground;
- the marked tendency to recruit on the basis of personal relations and patronage rather than merit led to a drop in productivity.

On an external level the main elements responsible are:

- the gloomy economic climate for commodity exporters, whose terms of trade are in structural decline;
- the social cost - including a deterioration in unemployment - of adopting structural adjustment programmes (cf. 15th meeting);

- the internationalization of economies, which implies moves to achieve high levels of competitiveness.

2.4. Outlook

OECD figures show that between 1955 and 2015 the developing countries' share of the world's working population will increase from 71% to 82%.

In sub-Sahara Africa, taking 1990 as 100, the workforce will reach 138 in the year 2000, but employment will only reach 127.

Between now and 2015, the same source indicates there will be a twofold increase in the number of young people looking for jobs in many African countries. In 2015 the young working population of Tanzania and Kenya could exceed that in France, Italy and Great Britain together, and the figure for Nigeria could be greater than that of the United States.

III. JOB CREATION

3. As a consequence of the situation set out above it is clear that job creation in ACP countries is both an immediate and a long-term problem.

In the long-term, basic issues such as development itself, demography and education will have to be addressed. In the short-term, minimum survival conditions must be created and the quality of life has to be improved beyond merely satisfying fundamental primary needs.

✓ The role that economic and social partners can play must be examined in both these perspectives. In order to be able to define this role, it is necessary to determine the importance of employment relative to other fundamental factors influencing economic development and the renewal of investment.

These fundamental factors are peace, the role of democracy and individual freedom, demographic trends and basic education. Many other factors influence growth, but these four are, without doubt, the most important.

3.1. Employment and peace

There is no doubt that the flames of latent and overt conflicts have been fanned by economic and social destabilization, by the precarious existence and the permanent insecurity suffered by many people in ACP countries.

Peace is obviously a precondition for improving living conditions in the short-term and for implementing long-term development strategies.

However, to date the protagonists of development and cooperation policy have too often believed that economic growth would automatically result in an increase in the job supply.

Faced with the conflicts eroding several African countries today, it would seem time to look at the problem from a different angle. The very fact of having a stable job is without doubt a factor in creating an atmosphere of security. Job creation therefore seems to be one way of preventing conflict. The ability to envisage the future with a certain amount of confidence and peace of mind makes for social harmony; on the contrary, those who have nothing to lose are driven to the worst of extremism.

In addition, matters have arrived at such a point that the very fact of putting an end to war could be viewed by many soldiers as a route to unemployment. It is our task to make them understand that they will be helped to reintegrate into civilian society.

3.2. Employment, democracy, human rights

The final declaration of the 16th annual meeting of ACP/EC economic and social interest groups recognized that:

"Lack of democracy and failure to observe human rights are amongst the major factors in the setbacks experienced by ACP countries in their efforts to achieve development."

It concluded:

"A coherent development strategy must combine the protection of human rights, opportunities for participation, support for local initiatives and economic viability."

Article 15 of the African Charter of Human Rights and People recognizes that:

"Everyone has a right to work in fair and satisfactory conditions and to receive equal pay for equal work."

Political and socio-economic democracy, the respect of human rights and employment are closely interlinked insofar as political participation is deprived of all or part of its substance if economic participation, i.e. work, is not a reality.

3.3. Employment and demographic growth

It is clear that demography, working population and employment are closely interconnected.

Reference should be made in this connection to a series of World Bank figures (N.B. these aggregate figures only exist for sub-Sahara Africa):

- in 1960, the population of sub-Sahara Africa was 210 million, in 1991 this figure was 520 million and in the year 2000, it will be 680 million;
- the population growth rate from 1960-1991 was 2.9%, the highest in the world;
- the birth rate in 1991 was 6.5%;
- the rate of use of contraceptives for 1985-1990 was 15%, the lowest in the world.

In the period 1969 to 1991, the two most populous countries of sub-Sahara Africa, Nigeria and Zaire, had demographic growth rates of 3.1% and 3.0% respectively.

According to available statistics, the Pacific countries with the highest population growth rates are: (1961-1991) Solomon: 3.3%; Vanuatu: 2.8%; Papua New Guinea: 2.3%. Of the Caribbean countries the Bahamas have a 2.8% population growth rate.

How have ACP countries reacted to this disquieting situation?

The above data illustrates the infrequent use of contraceptives. It should not therefore be a surprise that only 18 of the 69 ACP countries include population issues on their indicative programmes.

Of these 69 countries only 3 - Togo, Gabon and the Solomon Islands - have applied for financing under the Lomé Treaty for population programmes and policies.

In rural areas, population pressure is having an adverse effect on the environment through deforestation, desertification, erosion, etc. In urban areas it is causing impoverishment, expansion of shanty towns and an increase in social deviancy.

In addition to the current repercussions of population growth on the labour market, the situation in the medium and long-term requires examination. Even if population growth were to fall sharply, the effects on the demand for jobs would not be felt immediately.

Concerns about employment should therefore be linked with concerns about population growth.

In this connection it should be stressed that reducing the birth rate is linked to women's educational levels and, at least in the towns, to women working full-time in the modern sector of the economy.

3.4. Employment and education

Another fundamental question which should be taken into account if a minimum of guarantees are to be achieved in the medium and long-term, concerns short-comings in basic education and everything relating to education: from education for children to continuous vocational training for adults.

Illiteracy rates are reaching worrying levels. The last world report on human development, in 1993, revealed that in 1990 in sub-Sahara Africa; 53% of the population below 15 years of age was illiterate; the figure for girls was 64%. In other words, for every 100 literate men only 64 women are literate; this assumes particular importance in relation to the birth rates mentioned above. The same shortcomings are noted in education. In sub-Sahara Africa, the schooling rate (primary and secondary schooling) was 4.6% for the period 1987-1990, while the average for developing countries as a group was 73%. In this sphere also, women lag far behind men, since on average women complete less than half as many years of study as men.

However, educational problems are not only quantitative but also qualitative; the need to reform educational structures has been obvious for years, but no noticeable progress has been made. Gaps in vocational training, for example, have not been filled and all too often education diverts pupils from and devalues manual trades.

Returning to the problem of illiteracy, as early as November 1990 the Final Declaration of the 14th annual meeting drew attention to the need to provide basic education and to stamp out illiteracy, both being prerequisites for economic development.

Three years have passed without any significant change in this area.

From our side, we deplore the fact that neither the social partners nor non-government organizations have been provided with the necessary instruments to contribute more actively to a solution to this problem.

All these problems associated with job creation call on economic and social partners - both in the ACP and in the EC - to take action; to what extent decentralized cooperation could allow solutions to be found to these problems is discussed in the following chapter.

IV. DECENTRALIZED COOPERATION

4. Years of experience with integrated rural development programmes, micro-projects, non-government organizations (NGOs) and links between EC research institutes and their ACP counterparts have provided us with sufficient data for setting up "decentralized cooperation".

In the final analysis, many of these developments were a kind of embryo from which developed the new cooperation model, made official by the signing of the Fourth Lomé Convention on 15 December 1989.

Articles 20 and 22 of the Convention set out the objectives of decentralized cooperation, the operators likely to be involved, the conditions to be complied with in order to be eligible for aid and implementing procedures.

4.1. Objectives of decentralized cooperation

Decentralized cooperation has the following main objectives:

- to boost the management capacity of non-government operators in ACP countries;
- to promote local initiatives and local populations' direct involvement and thus to reinforce society on a pluralist basis;
- to encourage decentralization and the allotment of organizational responsibilities to regional authorities, allowing a shift of decision-making towards local groups;
- to encourage partnership between European groups/associations and their ACP counterparts;
- to work towards the establishment and consolidation of democratic systems and respect for human rights.

4.2. Operators in decentralized cooperation

A vast range of operators can be involved in decentralized cooperation. They can be divided into three categories:

- local authorities: towns, districts, regions, etc.;
- bodies representing society at large: NGOs, associations, local groups;
- operators representing trade groupings and business: chambers of commerce, trade associations, trade unions, cooperatives etc.

4.3. Conditions of decentralized cooperation

Initiatives by ACP operators will be encouraged as long as they conform to development priorities, guidelines and methods defined by ACP states.

Decentralized cooperation actions can be financed with the agreement of ACP countries.

Decentralized cooperation can cover not only micro-projects but also larger-scale programmes, provided they are rooted in local or sectoral development requirements.

The value of the proposed actions must be clear and cooperation financing provisions must be complied with.

4.4. Procedures for decentralized cooperation

Decentralized cooperation projects may or may not concern priority sectors identified by indicative programmes; those which do concern these sectors will be given precedence.

Once participants in decentralized cooperation propose an initiative, a decision on financing is taken by ACP countries and subsequently responsibilities are allocated to these decentralized operators.

4.5. Potential for decentralized cooperation in job creation

Decentralized cooperation allows economic and social partners, for the first time in the framework of ACP/EEC relations, to get into direct contact in order to look for solutions to the employment crisis in ACP and European countries.

The flexibility of the procedure allows potential partners to pool their knowledge and respective abilities in looking for remedies for their problems.

4.6. Preconditions for successful decentralized cooperation

4.6.1. First and foremost there is an absolute need for the members of most ACP countries' governments to change their attitudes to society at large, which must be considered as the main locomotive if any real progress is to be achieved on development.

Governments must recognize the realities of their countries and no longer live in ivory towers.

The key word to respect here is decentralization.

The process will involve listening to partners from society at large and putting their suggestions into practice wherever possible.

4.6.2. Support for society at large obviously involves increased links with both local communities and the private sector.

Citizens' capacity for initiative should be encouraged and not limited. It is not enough to allow them to organize themselves: it is vital that they be given help to do so.

4.6.3. So that these objectives can be achieved, the establishment of employers' and trade union associations should be encouraged wherever they do not already exist. They must be able to enjoy complete freedom of action and must not be subordinate in any way to national governments. Likewise cooperatives, producers' groupings and farmers' associations must be supported in rural areas.

Their independence and institutional strengthening will, without doubt, constitute one of the pillars of future development.

4.7. The role of the economic and social partners

Businesses and the European associative movement can play a key role in implementing this whole process. Their influence could be particularly meaningful in the following areas.

4.7.1. Cooperation agents should be given the possibility of obtaining support directly from EC representative bodies.

It would then also be possible to save considerable time in the whole process, given that bottlenecks in national governments could be by-passed.

4.7.2. The direct channel suggested in the above paragraph would also provide a major obstacle to corruption, which is mainly due to state overcentralization. This is more than a problem caused by individuals - it is a structural matter rooted in the system. However, corruption is not the prerogative of ACP countries. The robust control networks already in place in the twelve EC Member States must be used to ensure that any Community-based instigators of corruption are heavily penalized.

4.7.3. However, setting up direct channels is not enough. At the same time efforts have to be made to cut down on bureaucracy and to simplify existing procedures.

The SMEs and citizens' groups to be targeted lack, at the outset, the human, technical and financial resources necessary to cope with these procedures. Bureaucracy should not constitute an obstacle to initiative.

4.7.4. One way of providing support for citizens' initiatives is to boost information dissemination. Without this, there will continue to be a considerable lack of awareness of the support possibilities offered by the Community.

4.7.5. It is reasonable to hope that once an end has been put to the insecure climate and political instability found in some ACP states and overt support is given to the development of market economies, European businesses will take up contact both with local businesses and with people potentially interested in setting up SMEs.

4.7.6. Associations have a fundamental role to play in innumerable areas of cooperation such as setting up and consolidating the associative movement in ACP countries, promoting the establishment of new SMEs, links between businesses, vocational training, research, promoting ACP exports.

If this process is to be successful, adequate financial resources will have to be found. The EC Commission should have a credit line exclusively for this kind of action.

4.7.7. The role of members of Commission delegations has to be defined. If they wish they could be one of the prime movers.

Unfortunately, in most countries they are demotivating influences. There are three main reasons for this:

- they put the emphasis on infrastructure investment;
- the delegations are short-staffed;
- no spirit of enterprise.

V. WHAT DECENTRALIZED-COOPERATION STRATEGIES ARE TO BE EMPLOYED BY ECONOMIC AND SOCIAL PARTNERS TO CREATE JOBS?

5. It is quite clear that employment problems in ACP countries are directly related to economic development, and that this is dependent on a whole series of factors such as debt, investment, inflation (except in the French franc zone), the state of the infrastructure, low farm productivity, the small size of the domestic market, lack of diversification, a bloated tertiary sector. The list is too long to analyze, but of course these factors do determine the overall strategies to be implemented.

It is against this background that we must consider how decentralized cooperation can best help ACP economic and social partners to draw on the experience of the European counterparts in their drive against unemployment.

5.1. It should first be pointed out that there are major differences between one country and another and indeed, in the majority of cases, within countries.

A project which has met with considerable success in one ACP country, will not necessarily be successful in all the others.

Any ideas which we suggest will therefore have to be tested in advance and adapted to local circumstances. A distinction will have to be drawn, for example, between countries/zones where the minimum conditions for developing SMEs already exist and those countries where such conditions have not yet been created.

Finally, a distinction should be made between general issues and issues which are specifically urban or rural.

5.2. General proposals

5.2.1. EC/ACP economic and social partners must join forces to create a synergy between the decentralization and the development processes. Decentralized cooperation should serve as a vehicle for financing projects which bring economic and political democracy to the fore in local communities. This will necessarily have repercussions on the labour-market structure, thus creating a new synergy between decentralization and the job supply.

5.2.2. Cooperation between EC/ACP partners could do much to further attempts to achieve integration of the informal sector into the structured economy; (cf. Final Declaration of the 1992 Annual Meeting). This applies both to urban zones (where the informal sector is particularly strong) and to rural areas (where it also exists). Inter alia, people work in the informal sector because they want to escape the cumbersome procedures and restrictions of bureaucracy. The EC/ACP partners should try to ensure that workers who move from the informal to the formal sector gain rather than lose security, and that workers are henceforth better protected.

5.2.3. As regards information dissemination, partners should inform local communities of decentralized cooperation projects currently being implemented, so that the models on which they are based can be tried out in other regions.

Successful schemes in regions outside the ACP countries, e.g. in Latin America, should also be brought to the attention of local communities.

5.2.4. In order to exploit the job-creation potential of decentralized cooperation in the short term, EC socio-economic organizations and their ACP counterparts should obtain from the Commission the resources needed to initiate rural or urban projects in five or six countries.

5.2.5. The urban and rural craft industry is one of the sectors where it will be possible to achieve much.

There is no risk in banking on this sector; success is guaranteed, given that there is an increasing shortage of craft-industry products on the market and its promotion will make good use of local raw materials and human resources.

5.2.6. Another possibility to envisage is the establishment of job agencies which will promote local employment in rural and urban areas and disseminate information to job seekers and employers. Another objective here could be the improvement of recruitment procedures. These agencies could be managed jointly by ACP and EC partners.

5.3. **Proposals for urban areas**

The positive role which SMEs play in job creation is widely acknowledged and the ways in which European partners can contribute to expanding and upgrading this sector by means of decentralized cooperation should be discussed.

5.3.1. One of the initial difficulties in setting up a SME is choice of location.

ACP countries can create zones specifically earmarked for commerce and industry and sell land in them at token prices to people willing to invest in a SME.

5.3.2. SMEs will have to bank heavily on quality. They must make constant efforts to sell at competitive prices without jeopardizing quality. Only by doing so can they ensure smoother entry to the world market.

We have to count on quality, given the stiffer requirements of consumers and quickening competition.

5.3.3. Another priority area is vocational training.

Currently, considerable difficulties are being encountered in finding instructors. This scarce resource must be pooled and be used in a coordinated fashion.

ACP governments must give support to associations so that they can provide SMEs with vital support. In a world undergoing constant change, up-to-date vocational training is a vital precondition for success.

5.3.4. The financial sector must in no way be forgotten, not only because of the possibilities it provides for significant increases in the total amount of investment, but also because of the costs it can impose on businesses (problem of high interest rates). In this connection, it would appear appropriate to draw attention to the following requirements.

a) **The establishment of a modern, active banking market**

In a market economy, progress cannot be made without a solid banking system which has the technical and financial means needed for development.

b) Making internal loans available to SMEs

In general, there are no flexible domestic credit lines for business development.

If they are not free to use this important management instrument, SMEs will find it difficult to ride out difficult times.

c) Setting up leasing activities

Leasing is employed throughout the world as a major system for assisting investment.

Given the specific purpose of leasing, it is easy to understand the importance of its contribution to decisive changes in the direction of the economy.

d) Interest-rate subsidies

As mentioned above, interest on bank loans constitutes a substantial share of businesses' total outlay.

At a time when moves are being made to boost investment, efforts should be made to attract as many potential investors as possible by a system of interest-rate subsidies.

5.3.5. Lastly, again to boost SMEs' role in the economy, effective tax incentives should be created.

5.3.6. Economic and social partners should also join efforts, using the abovementioned means, to revitalize businesses which have been affected by the crisis but which could still prove viable, given local conditions, if they receive a relatively low level of outside help.

5.4. Proposals on rural areas

5.4.1. The partners should devote a major part of their attention to agriculture, which provides a large number of jobs and is a fundamental element in job creation strategies. In this connection the OECD affirms:

"Agriculture is for the most part labour intensive and a prosperous agriculture is the backbone of a prosperous rural community, providing jobs not only in agriculture itself but in allied activities too. The potential of agriculture has frequently been squandered as it has been squeezed by unjustified fiscal, price and exchange-rate policies which have curbed its growth"

5.4.2. Decentralized cooperation between equivalent rural groupings should aim at
a) identifying local initiatives, b) preparing plans for consolidating these initiatives, in conjunction

with the local people concerned, and c) obtaining the necessary resources. Large-scale projects often end in failure and decentralized cooperation should be designed to encourage self-help.

5.4.3. Particularly fruitful areas for agricultural cooperation between economic and social partners include:

- the provision of types of credit which are appropriate to rural circumstances and to which women, who often grow most of the food crops, have access;
- small-scale infrastructure and equipment schemes which, unlike large-scale projects, often have positive results and often are likely to increase productivity and, at the same time, improve quality of life;
- training which, through its content and teaching, should improve the status of farm work and not, as is often the case at the moment, lead to a drift from the land.

5.4.4. Economic and social partners should also discuss better ways of using decentralized cooperation - through the medium, for instance, of teaching and research centres (Article 24) - to promote agricultural research and inform rural communities of the findings.

5.4.5. In order to bring town and country closer together and interlink economic networks, the concept of rural agglomerations should be addressed by the economic and social partners. Examples given by Taiwan and Thailand demonstrate the beneficial role that this concept can play in unifying the economy and society.

5.4.6. Rural agglomerations play a major employment role. Firstly, they create non-farming rural jobs and are thus capable of absorbing labour surpluses. Secondly, they stimulate farming since their economy is based on the trading of farm products for non-farm goods and services.

5.4.7. The economic and social partners must thus seek to steer decentralized cooperation towards local initiatives which promote basic rural-agglomeration activities such as: manufacture of small-scale equipment, repair workshops, supply of goods and various services. Decentralized cooperation can also be a vehicle for improving health care, education and other basic facilities.
