

## **Africa's perspective on the new work landscape**

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Let me start by giving a brief on the **Federation of Kenya Employers (FKE)**, and **Business Africa**, the two organizations I head.

**FKE** is the most representative employers' organization in Kenya.

As a voice of employers in Kenya since 1959, FKE has pursued two broad mandates:

1. Lobbying and advocating for a conducive businesses environment in Kenya.
2. Building capacity of businesses in Kenya to be more productive, competitive and sustainable.

**Business Africa** is the Voice of employers in the whole region of Africa. What FKE does in Kenya, Business Africa does in Africa.

The topic we are discussing today is very timely and pertinent to employment relations in the modern world.

It is not secret that the world of work has gone under great transformation over the years and the characteristics of employment we witness today are not the traditional salaried employment.

Today the different work-forms experienced in the labour market call for a rethink and dialogue on the conventional views we hold about work.

I am happy to note that the changes in labour market have been noted and even at ILO we are having a deep discussion on the future of work. Change is with us. We need to reform to adapt to change otherwise we be rendered irrelevant.

Considering the world of work today it is evident that flexible forms of work are the future of work. It is important that this is recognized and supported.

From Africa's perspective, the labour market is allowing for three phenomena: wage employment, self-employment and entrepreneurship.

### **Wage employment**

Wage employment is where we have workers earning wages. Wage employment can be formal or informal.

Here the policy should advocate for job security, fair working conditions, good employee-employer relations, etc.

Since it is difficult to guarantee these requirements in the informal wage employment (which is characterized by unregulated businesses), then the policy should encourage formalization of the informal wage employment.

A policy option for encouraging formality in Africa can be cutting the costs of formality.

### **Self-employment**

Self-employment can be voluntarily or involuntarily.

It is voluntarily where a person has some production skills and instead of going into wage employment, he/she decides to produce his/her services/goods and sell.

It is involuntarily where lack of wage employment opportunities forces a person to produce and sell his/her own service or product.

Self-employment can be formal or informal.

A key characteristic that distinguishes this form with entrepreneurship is that somebody in self-employment lacks managerial skills to employ another person. He/she does the work by himself/herself.

One characteristic of the services/goods from this form of employment is that on average it is of low quality when compared to formal wage or entrepreneurship. This is very common in Africa.

Policy should aim at building skills of the persons in self-employment to move them into entrepreneurship.

Also, companies can outsource some functions/elements to the self-employed.

On earnings, the self-employed should not be looked at as the wage employment. The income to self-employed depends on the demand for his/her goods/services.

### **Entrepreneurship**

Entrepreneurship can be classified as formal or informal. Where and when entrepreneurs are highly skilled, it is likely to be formal. Where entrepreneurs are low-skilled, it is likely to be informal. However whether formal or informal, the entrepreneur creates wage employment for others. His/her income is not wage-earnings, but returns to his/her entrepreneurship risk and ingenuity: profit.

Africa need to invest in skills development and also leverage on technology to ensure that most of the entrepreneurship is formalized.

### **To conclude**

In Africa, society and companies should be able to accept and allow for all the forms of employment. In fact to deal with the monster of high unemployment especially among the youth, other forms of employment, apart from the traditional wage employment should be encouraged and respected.

Policy should support formalization of those forms of employment. Insisting only on salaried employment cannot work and will not work in the current and future world of work.

That we must accept. Resisting the transformation will do us more harm than good.