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Will the future of work create two speeds in Africa?

As a result of the changing nature of work, Africa is at risk of deepening inequalities and the creation of two speeds in Africa. The 4th Industrial Revolutioni will bring about increasing digitalization and robotization, making some jobs obsolete, while simultaneously creating new ones. Flexibility, critical thinking and preparedness for life-long learning will become key skills demanded of the workforce. The change will mostly be felt by advanced economies, but, in Africa, the future of work will take a different shape. Due to suboptimal education and infrastructure levels, as well as relatively low labour-costs, low-skill jobs in Africa are under less threat. Despite this, the changing nature of work will affect the continent. It is, therefore, important that African countries act now by adjusting their education curriculums and social protection systems, investing in adequate infrastructure and creating an enabling environment for home-grown innovations and decent jobs for youth – all while including youth in the process.

Technology is changing how people work and the terms under which they work. The adoption of technology disrupts the demand for skills, with reduced demand for less-skilled workers. <u>Some jobs will be lost, and other will be created</u>. Generally, individuals with more advanced skills are taking better advantage of the changing nature of work. Disruptive technology also gives rise to <u>the gig</u> <u>economy</u> – short-term work, often via online work platforms that is globally available on a flexible basis. These changes are more noticeable in advanced economies where technology is widespread and labour markets start from higher levels of formalization.

However, the future of work will look different in Africa. The key differences between advanced economies and those of countries in Sub-Saharan Africa are the demographics, high inequality and low level of industrialization. According to McKinsey, between 2010–2020, an estimated 122 million young people joined the labour force in Africa. With the continued rapid growth of the working population, African countries need to add new jobs to their economies year after year for most of this century. Despite the rapid economic growth in Africa, this growth has not adequately translate into poverty reduction, deepening the inequalities between rich and poor. Consequently, Africa is the second most unequal continent in the world and home to seven of the most unequal countries. Despite increased access to basic education in many countries, a plethora of issues related to the current education systems prevent young people in Africa from achieving digital literacy and learning how to prepare for life-long learning, be flexible, solve problems and think critically. These are the skills they need to succeed in the 21st century and interact with the changing world.

It is estimated that <u>automation will be limited in most African economies</u>. This is largely because of the continent's large <u>informal economy</u> (particularly in small-scale farming), its lack of necessary digital infrastructure and <u>forward-looking industrial policies</u> (i.e. promoting more labour intensive manufacturing, digitalization, automatization or <u>industries without smokestacks</u>). Given the low rates of pay and low total cost of hiring Sub-Saharan African workers, human labour will remain cheaper than the cost of implementing automation technology. Nevertheless, Sub-Saharan Africa does have areas of economic activity where digital infrastructure is highly developed, capital is available, and the economic calculus favours automation. In these areas, <u>access to the Internet</u> is imperative. Although the use of mobile phones has become widespread in Africa, <u>only 24% of Africans have access to the Internet</u> and, in Sub-Saharan Africa, Internet penetration remains the lowest in the world. Furthermore, the cost of connectivity in Sub-Saharan Africa, especially of the most-used mobile broadband, <u>is the least affordable of all</u> the regions of the world. Finally, <u>access to finance</u> and <u>promotion of an enabling environment</u>, especially for

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<u>young entrepreneurs</u> are important to address the challenges that the future of work brings. Scholars agree that <u>technology can have the capacity to lift a number of people from poverty</u> and create better jobs in all enterprises (including informal ones) by increasing the productivity of firms, unlocking the entrepreneurial potential of informal units, providing access to credit and insurance products, and creating new technology-driven firms. However, this might not be enough, and <u>there is growing concern for the future of work in Africa</u>.

In Sub-Saharan Africa, 82% of all workers are working informally in all sectors of the economy, either in informal enterprises or formal ones. Particularly women tend to hold the most vulnerable and lowest paid jobs. Increased automatization and digitalization carry the risk of deepening existing inequalities and creating an Africa of two speeds. Certain groups that are already starting from a more privileged position have a much higher chance of having adequate skills and access to reap the benefits of digitalization and high-end jobs, which require more technical skills and access to the Internet. The cost of this access is high and not available to all, especially the lower strata and those outside urban centres. Those who cannot access the schooling and training that will prepare them for the changing nature of work will ultimately be left behind, stranded in low-skill, low-paying jobs.

To prevent the potentially increasing disparities within and between countries, there is a need to ensure enough decent and sustainable jobs for all, as well as find ways to effectively strengthen and implement labour laws. In December 2019, the ILO's 14th Africa Regional Meeting in Abidjan, Côte d'Ivoire, concluded with the <u>Abidjan Declaration</u> entitled <u>Advancing</u> <u>Social Justice: Shaping the future of work in Africa</u>. This Declaration reaffirmed the need for a human-centred approach to the future of work on the continent. The document calls for a more flexible and adequate curriculum and commitment to decent jobs to ensure that the continent can adequately prepare for the work of the future and further poverty reduction. It also highlights the need to extend social protection to all, including those in the informal economy and the rural population.

In recent years, many African countries have made efforts to extend social security coverage to workers in the informal economy through a variety of initiatives. These efforts need to be multiplied and scaled up, including effective measures to support people in the transitions to new jobs. To facilitate workers' transition to new jobs, countries can build on the enormous potential of digital technologies and platforms to connect workers and jobs. Moreover, they should also include in their national policies a universal entitlement to lifelong learning, support for gender equality, and promote investments in key areas (such as the care, rural and green economy, as well as investing in digital, physical and social infrastructure). There is the need to revisit the existing business models and measuring indicators.

The changing nature of work and labour market will consequently require major reforms in current education, social protection and tax systems in many countries. Hence, it is becoming clear that a major rethink is needed, rather than just coping with existing models; for instance, for more workers' protection in the future of work, social insurance may need to be delinked from labour contracts. However, what should not be forgotten is that, ultimately, the future of work should also be about dignity, meaning that youth should be valued as drivers and not only the 'subject' of these developments. These are all difficult tasks, but one thing is clear: to avoid creating an Africa of two speeds, decisive action must be taken now.

ⁱ A number of recent technological breakthroughs—especially in artificial intelligence (AI), machine learning, and robotics—are unleashing new capabilities and fundamentally changing the nature of work. These new technologies are complementing as well as replacing workers. They hold the promise of higher productivity and greater safety. This technological revolution is being referred as <u>the Fourth Industrial Revolution (4IR)</u>.