



## Opening Statement

By

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THE HIGH LEVEL DIALOGUE ON HOW TO ACHIEVE DECENT WORK IN THE  
INFORMAL ECONOMY

4<sup>TH</sup> SEPTEMBER 2019,  
STANELY HOTEL, NAIROBI-KENYA.

## Salutations

- Cabinet Secretary, Ministry of Labour and Social Protection;
- Secretary General, Central Organization of Trade Unions Kenya Board of Management;
- Secretary General Business Africa, the CEO/Executive Director, Federation of Kenya Employers;
- Dr. Manfred Ohm, Head of Africa Department, FES
- ILO Colleagues present;
- Members of the Press;
- Distinguished ladies and gentlemen

I salute the Secretary General of the Central Organization of Trade Unions (Kenya), Brother Dr. Francis Atwoli and the FES for inviting me to this high-level forum.

With informal employment at almost 86 percent in Africa, the importance of deliberating on policy options to promote decent work for informal workers throughout Africa cannot be overemphasised. Sub-regionally, the ILO estimates that the share of informal employment and its components in total employment is 67.3 percent in North Africa; 91.0 percent in Central Africa; 91.6 percent in Eastern Africa and 92.4 percent in Western Africa.

Further ILO statistics show that compared to adults, the youth are more likely to be in informal employment than adults. Informal employment is the main source of employment 94.9 percent of the youth. When sub-regions are concerned, youth informal employment accounts 97.9 percent in Western Africa, 96.7 percent in Eastern Africa, 95.1 percent in Central Africa, 87.5 percent Northern Africa and 56.4 percent in Southern Africa.

### **Distinguished Guests**

**In reference to social protection**, despite significant progress in Africa,

- a) Only 17.8 per cent of the population receive at least one form of social protection such as cash benefit, with significant variation across countries
- b) Up to 56 percent of the rural population lack health coverage as compared to 22 per cent in urban areas

The current state of informal employment and poor access to social security, in Africa, heighten the importance of this meeting – not only for Kenya, but the entire continent.

### **Distinguished Guests**

The ILO recognises that partnerships are key to delivery of results. And today, we are pleased to sign a Memorandum of Understanding with the Friedrich Ebert Stiftung (FES) to promote decent work in Africa; including for the informal economy. One important aspect of the collaboration with FES relates to the generation of policy relevant data. Today, the preliminary survey results of a large-scale survey on a component of the informal economy will be presented.

I am also pleased to report that the ILO is collaborating with the African Union Commission to implement a programme on “**Decent Work for the Transformation of the Informal Economy in Africa**”. The programme’s overall development objective is to “reduce decent work deficits in the informal economy in Africa through progressive transition to formality”. Indeed, the ILO-FES survey in Kenya and in the other countries that have been lined up, will be strategic and pivotal to success of the AU-ILO programme.

This is even quite significant at a time when the ILO is preparing for the 14<sup>th</sup> Africa Regional Meeting to be held in Abidjan, Cote d’Ivoire from 3-6 December, 2019. It is instructive that the key outcome of the Meeting is Africa’s Decent Work Agenda 2020-2030. Already, the organisation process of this crucial meeting has benefited greatly from the direct involvement of Africa’s tripartite constituents.

## Distinguished Guests

The ILO marks its Centenary at a time of transformative change in the world of work, driven by technological innovations, demographic shifts, climate change and globalization, which bring into question the very nature and future of work, and the place and dignity of people in it. This calls for concerted efforts.

The ILO Centenary Declaration for the Future of Work adopted by the conference at its 108<sup>th</sup> session, in June 2019, recognises the urgency and importance to promote the transition from informality. One of the relevant elements in its call to member states is:

*“Strengthening the institutions of work to ensure adequate protection of all workers, and reaffirming the continued relevance of the employment relationship as a means of providing certainty and legal protection to workers, while recognizing the extent of informality and the need to ensure effective action to achieve transition to formality”*

This is a clear call to action as we build a brighter future of work, particularly for Africa.

## Distinguished Guests

Recommendation 204, based on strong tripartite consensus and near unanimous vote, fosters the transition from the informal to the formal

economy. The recommendation provides guidance to Members to pursue a threefold objective:

- a) facilitate the transition of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship,
- b) promote the creation, preservation and sustainability of enterprises and decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies; and
- c) Prevent the 'informalization' of formal economy jobs.

**Distinguished Ladies and Gentlemen,**

At this juncture allow me to share some specific statistics for Kenya but also in relation to other countries.

- a) The United Nations' Economic Commission for Africa of 2017, shows that Kenya has the highest informal sector employment among nine countries covered in their report in Africa.

For instance, the report mentions that Employment in the informal sector in Kenya stands at 77.9 per cent of the total ahead of Rwanda's 73.4 per cent, Uganda's 59.2 and Tanzania's 8.5 per cent.

Additionally, In Egypt, Liberia, Madagascar, Mauritius and South Africa, the informal sector offers jobs to 51.2%, 49.5%, 51.8%, 9.3% and 17.8 per cent of workers, respectively.

- b) The year 2012 report by the Institute for Economic Affairs (IEA) also showed that the informal sector contributed an estimated 34.3% of GDP, and accounted for 77% of informal employment in Kenya with over 60% being youth, aged between 18–35 years, and half of them were women.
- c) The 2019 Economic survey by Kenya National Bureau of Statistics, showed that of the 840,000 new jobs created, 83.6 per cent were in the informal sector and 16.4 per cent in the formal sector.

These figures underscore the importance of addressing the significant decent work deficits that characterize the informal economy. **Without addressing the informal economy challenge, Africa will not be able to achieve the SDG 2030 targets.**

**Distinguished Ladies and Gentlemen,**

In all this, I see a very important role for trade unions:

***First: Promote an integrated policy approach***

During the formulation of national employment policies, the trade unions should ensure that transition from informality should not be

relegated to policies specifically targeted at it, but should be embedded in every social and economic policy.

***Second: Promote innovative models that ensure effective support***

Trade unions can better mobilize and represent informal economy workers/operators as well as work with other institutions, including municipal authorities in experimenting with innovative developmental policies.

**Distinguished Ladies and Gentlemen,**

The ILO in Africa looks forward to receiving the conclusions of this meeting as an input to the finalization of the ILO Decent Work Agenda for Africa: 2020-2030. This will also provide a basis for partnering with likeminded organizations, which share a common vision to deliver excellent decent work results in Africa by systematically promoting decent work for those who are currently in the informal economy.

As I end this message, please be reminded of the quote from one of the finest Citizens of Africa and Winner of the Nobel Peace Prize, Nelson Mandela: **“It Always Seems Impossible until it is done”** I am sure we will do it because we have the will to transform our informal economy.

God bless you as we collectively promote the **decent work** agenda and work for a brighter future of work for Africa.