



A powerful  
and balanced  
voice for business

**SPEECH BY MS JACQUELINE MUGO, EXECUTIVE DIRECTOR FEDRATION OF**

**KENYA EMPLOYERS (FKE) / SECRETARY GENERAL, BUSINESS Africa**

**ILO AFRICAN REGIONAL VIRTUAL MEETING**

**Covid-19 response In Africa: Building Back Better**

**Closing session: 2 July 2020**

**5 mins**

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**Your Excellencies, Distinguished Ministers/Government representatives and delegations,**

**ILO Director-General, Regional Director for Africa and other ILO representatives,**

**Workers' representatives,**

**And fellow colleagues from Employers' Organizations,**

I am honored to speak on behalf of the employers' group at the close of this Regional meeting at such a critical moment for the World of Work.

**1) Covid-19 has changed the Landscape:**

The Covid-19 pandemic came upon us just a few months after the unanimous adoption of the **“Abidjan Declaration: Advancing Social Justice: Shaping the Future of work in Africa”** where we adopted many important priorities for our continent. The reality is that the Covid-19 pandemic has drastically changed the landscape. We must now review and further refine our immediate areas of focus within the agreed Strategic priorities

We commend the quick action by African governments following the emergence of the Coronavirus in our region as they immediately moved to declare a health emergency and put in place necessary measures to control its spread. As mentioned by many of you during this Virtual Meeting, these measures have also had significant negative impacts on the economy. Many governments, including my own country Kenya, have availed considerable economic stimulus packages to support the population and businesses. Unfortunately, these packages have proved inadequate due to the prolonged duration of the crisis, the far-reaching measures and restrictions put in place to keep the virus in check and the inability of many governments to cushion employers on payroll costs despite our efforts to push for this . The Covid – 19 crises have brought about huge job losses as enterprises have been unable to cope. Businesses can only keep people in jobs if they are viable and running. The economic and social impacts are grave and likely to outlive the health crisis for years to come.

**2) Negative Impact on Employers’ Organization:**

Employers’ Organizations are facing significant loss of membership and income due to the financial difficulties that our member enterprises are facing ranging from the risk of insolvency or actual closure. This has made it difficult for them to pay their membership fees. As a result

some Employers 'organizations are in a dire financial situation and have been forced to suspend certain critical services and operations to survive .This situation puts at risk our capacity to fully represent the private sector's voice and effectively engage in advocacy and social dialogue. So, the pandemic also poses an unprecedented challenge to social dialogue and tripartism, at the very moment when we need it most in order to chart the path to recovery to build back better in Africa. This unfortunate trend should be a matter of great concern to the ILO and indeed to all of us here today!

The ILO has a central role to play in assisting tripartite constituents to navigate the crisis and recover from it in a n inclusive and sustainable manner. Social dialogue requires, independent, strong and representative employers' and Workers' organizations able to engage and exercise their rights and freedoms. Employers' organizations are also key allies to deploy technical assistance and capacity building that will help SMEs build their resilience.

### **3) Long-term Support needed by business beyond the peak of the pandemic:**

Apart from the challenges Africa is facing, including low productivity, a tough business environment, skills shortages and prevalent informality, **coping with the impact of Covid-19 must not become a long-term challenge. To put it straight: we simply cannot afford it.** In this regard, our governments should urgently provide further and effective support to businesses to stay afloat and avoid large scale job losses. They should ensure that financial support reaches enterprises, especially SMEs.

### **4) Expanding the scope of social dialogue to address economic and social policy issues**

The crisis has exposed the need to expand the scope of social dialogue and tripartism in Africa to encompass the economic and social policy issues. We commend the initiative taken by Social Partners in some countries, like Kenya to enter into Agreements on interventions to manage the crisis. However, only a few African countries, have an institutional mechanism for involving social partners in policy issues outside of labour matters. ILO should assist its constituents to increase their capacity on social and economic key drivers, including those for productivity growth, while at the same time promoting social dialogue and tripartism through the UN Cooperation Framework and the sensitization of line Ministries at national level.

Excellences and Colleagues,

**5) Let us seize opportunities from Covid-19:**

As difficult as the situation might be, we must seize the opportunities that the crisis offers and accelerate reforms in our continent. For example, *in the integrated and borderless world of today*, digital technologies offer opportunities for productivity growth which did not exist before and these can be used to enhance learning and business activities. *Africa should not be left behind*. For this to happen, the IT infrastructures in our countries should be substantially improved and made accessible. *The adoption of digital technologies could offer a solution to financial exclusion driven by informality and improve productivity, market access and the supply of goods and services.*

The main reason for informality in Africa is decades of low productivity in the face of high population growth. It is time to mainstream productivity in all that we do going forward. Our continent has been trapped for decades in a low productivity – high informality vicious cycle,

while keeping us locked in low per-capita income and pervasive poverty. To break out of this trap we need to consistently promote and ensure an enabling environment that allows businesses to grow, to thrive and innovate. This requires removal of all barriers to the development of the private sector and facilitating transformation of the informal economy among other interventions.

Excellences and Colleagues,

I would like to conclude on a positive note and encourage us all to remain focused on action! This pandemic is unprecedented, but we have no option but to be resilient as the Continent has always been. **What we must do now is rise to the occasion, build trust and work together better than we have ever done before in order to minimize the** health, economic and employment impacts of this crisis and build back better and stronger in Africa!

Thank you all for your kind attention.