



Work/Jobs

Digitisation, automation and the future of work

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The explosion in digital platforms is slowly changing the nature of what it means to be in the informal or formal sector. A process of the digital business progression, where each step is low cost and low risk, incrementally formalises the informal sector.

Instead of being casual labour, many workers who are active in the informal economy already live in the [gig economy](#). Ng'weno and Porteous write:

In the short term, technology will create new opportunities in the gig economy: shared-ride drivers, homestay hosts, e-commerce logistics, e-commerce sellers, and small-scale e-commerce producers. These will be supplemented by an army of 'digital translators.' ... As the economy digitises, more people are needed to help customers and citizens transition into the digital economy. Most of these translators work on commission and set their hours.

It's time we recognised the truth about the future of work in Africa: it isn't in the growth of full-time formal sector jobs. The future of work will be people working multiple gigs with 'somewhat formal' entities. This is already true, and it will be for the foreseeable future. When we consider the future of work in Africa, the question shouldn't be whether jobs will be formal or informal but how digital platforms and new technologies might make this type of work more productive and of better quality for workers themselves.

Of course, the gig economy does not have only positive effects. Generally, the impact of digitisation is to lower barriers to entry and increase competition. However, in Africa, this could further force down wages and increase the number of people engaged in informal and unregulated work. The gig economy is, therefore, likely to result in more precarious or insecure work, with lower job and income security, poorer working conditions and lower social protection coverage than when employees are in standard employment. But even that is not a given: business innovation and government intervention will surely fill this gap.

Then again, digital technologies could significantly help formalise African economies (explored in the Leapfrogging scenario). Still, as elsewhere, the future of work will be determined by the interplay of automation and innovation.[1] 'While automation leads to a decline in employment in old sectors, innovation makes new sectors or tasks possible,' argues the Mo Ibrahim Foundation.[2] Much of that will inevitably occur in the informal sector.

Estimates about the impact of the Fourth Industrial Revolution differ hugely and include alarmist forecasts about the destruction of up to 30% of all jobs globally by 2030. However, it is unlikely that artificial intelligence, robotics and automation will change the historical trend that saw technological revolutions create more jobs than they destroy. Wealthy regions, Europe and North America in particular, are enjoying an unprecedented bonanza of jobs, especially in Europe, with low-end workers being upskilled with a concomitant rise in wages.[3]

Endnotes

1. Mo Ibrahim Foundation, Africa's Youth: Jobs or Migration?, London: Mo Ibrahim Foundation, 2019, 44.
2. Mo Ibrahim Foundation, Africa's Youth: Jobs or Migration?, London: Mo Ibrahim Foundation, 2019, 44.
3. The Economist, The feature is entitled The great jobs boom, 25 May 2019.

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Dr Jakkie Cilliers is the ISS's founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the ISS. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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