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Employee Benefits and social protections in Africa

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INTRODUCING BENEFITS ALL BAROMETER AFRICA ISSUE 1

Why do we need yet another series of articles on Africa?

Over the past few years there have been a spate of books and research pieces on Africa. For the most part, these studies tend to occupy one of two camps:

- 1 They focus on the economic prospects for Africa's future. Examples are annual publications from the Brookings Institution, the World Bank and the African Development Bank.
- 2 They serve to advise corporates and multinationals on how best to succeed in their African-based businesses. Examples are McKinsey's Africa's Business Revolution – How to Succeed in the World's Next Big Growth Market, and the Unilever/UCT project, African Lions, which assesses African consumerism and the nature of the African middle class.

But a critical element is missing in all this analysis. Extracting the true economic potential of Africa will demand an altogether different strategy. It will no longer be a question of whether the policymakers get it right. Nor will it be a question of whether corporates can play their strategic hands more adeptly. Rather, *unlocking future value will depend on a true collaborative effort between business, government, communities and the people who inhabit this continent.*

This is likely to be an unfamiliar role for many corporates, whether multinational or local. That said, there are actually areas of public-private partnerships in place that could be far more effective if this collaborative engagement was thought through more thoroughly. Employee benefits represents just such an area.

By providing a measure of income and health protection to formally employed workers, the private sector could take some of this burden off the national fiscus. We believe, though, that with a deeper appreciation of the financial challenges that employees and their families face, this benefit can have a significant multiplier effect. Employers have only just begun to understand how powerful a contribution this outcome can be in helping developing economies meet their sustainable development goals.

This is where our newly launched research series, *Benefits^{ALL} Barometer Africa*, can play a critical role.

Benefits^{ALL} Barometer Africa applies a very different lens to the question of unlocking future value in Africa. It argues that if employers can develop an appreciation of the socioeconomic challenges their employees face, they can craft a more meaningful set of employee benefits that can provide a win-win-win solution for all stakeholders. They can create a benefit structure that enhances an employee's financial well-being and this will have direct relevance to the stability of employees' everyday lives. With stability comes focus and higher productivity for employers. We've learned how to quantify the benefits such programmes have to a company's bottom line. And with an increase in financial capability and financial literacy, governments can feel more assured that their citizens will make the right choices to ensure their future financial security. If the end-game for Africa is economic growth, then we need to ensure that that growth translates into a measure of ongoing stability, self-determination and quality of life for the people and nations of this continent.

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