

11 MARCH 2019



LABOUR LAWS IN AFRICA ALERT

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ISSUE

INTRODUCTION: LABOUR LAWS IN AFRICA

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INTRODUCTION: LABOUR LAWS IN AFRICA

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The continent claims other significant titles: The region boasts the globe's youngest population, seven of the world's ten fastest growing economies in 2018, rapid urbanisation (second only to Asia) and an expanding consumer class. As populations, cities and economies burgeon, so does the demand for employment, infrastructure and services, accelerating the rise of second-tier industries in markets that once focussed, almost exclusively, on commodities.

According to the World Bank, no country has ever reached middle income status without first going through urbanisation. At first glance, this correlation bodes well for Africa but developed cities typically undergo a surge of industrialisation before urbanisation.

Africa presents a different case: Its cities' evolution is predominantly occurring in reverse, with urbanisation running ahead and industrialisation lagging far behind.

Bridging the gap will be a mammoth task - a task befitting the Fourth Revolution's novel solutions. Although keeping pace with Africa's growing wants, needs and demands will fall on governments, they cannot do it alone.

Countries will need to attract large-scale foreign and intra-African investment to achieve ambitious urban plans. Fortunately, the interest is mutual: Multinationals, first-movers and entrepreneurs are looking to reap the gains of the world's next emerging economies.

While it's safe to make broad statements about Africa's growth and largely untapped potential, prudent investors appreciate the more nuanced reality: The continent boasts 54 jurisdictions, each with its own political landscape, tax regime and regulations. Often underestimated, labour law issues are fundamental considerations for companies looking to set up business in Africa.

When it comes to hiring, transferring and letting go employees, each of Africa's jurisdictions requires employers to navigate a unique labour law nexus. This guide provides an employment law overview of 15 of the continent's key jurisdictions. Due diligence does not end there. Companies looking to launch or expand their African reach should consult with one of our leading labour experts to determine how labour laws specifically apply to, and impact, their business plans and ambitions. Without such specialist analysis and strategy, companies risk taking one step forward and three steps back.

Africa boasts vast investment potential. The World Bank affirms the continent's upward trajectory, identifying six African countries among the world's top ten growing economies and predicting the continent's 2018 economic growth at 3.2%. This, in a continent that continues to underutilise its talent pool, according to the World Economic Forum's Human Capital Index.

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While Africa captures 55% of its human capital potential, the global average stands considerably higher at 65%.



While Africa captures 55% of its human capital potential, the global average stands considerably higher at 65%. It is no surprise then that analysts expect 2018 to bring a spike of foreign investment and cross-border transactions to Africa.

While expanding into Africa presents corporates with great opportunities, such strategic moves present challenges too. An often underestimated one: the different and heavily regulated labour law frameworks within the African continent. This guide aims to lessen this burden, unpacking the labour law nuances within 15 key development jurisdictions: Angola, Botswana, Democratic Republic of Congo, French Congo, Ghana, Kenya, Lesotho, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, Swaziland, Tanzania and Zambia. By shining a spotlight on each of these jurisdictions, our team directs employers

through key milestones, such as hiring and termination. This guide also addresses employees' status after a business transfer and employers' data privacy obligations.

Failure to adhere to even one jurisdiction's labour legislation can result in wasted resources, cost implications and, at worst, the collapse of entire cross-border transactions. Plans that start well, end well. Companies looking to increase their reach in Africa need to perform a comprehensive labour law analysis, clocking problematic jurisdictions and highlighting the advantages afforded by others. Our team has the expertise and know-how to guide you through this important process. We hope this guide will act as catalyst for a more in-depth discussion with our team about your business' African footprint.

Employment Practice

**LABOUR LAWS
IN AFRICA**

To find out more about our Labour Laws in Africa guide, which looks at labour laws of 15 African jurisdictions, email labourlawsinafrica@cdhlegal.com.

OUR TEAM

For more information about our Employment practice and services, please contact:



Aadil Patel
National Practice Head
Director
T +27 (0)11 562 1107
E aadil.patel@cdhlegal.com



Gillian Lumb
Regional Practice Head
Director
T +27 (0)21 481 6315
E gillian.lumb@cdhlegal.com



Kirsten Caddy
Director
T +27 (0)11 562 1412
E kirsten.caddy@cdhlegal.com



Jose Jorge
Director
T +27 (0)21 481 6319
E jose.jorge@cdhlegal.com



Fiona Leppan
Director
T +27 (0)11 562 1152
E fiona.leppan@cdhlegal.com



Hugo Pienaar
Director
T +27 (0)11 562 1350
E hugo.pienaar@cdhlegal.com



Nicholas Preston
Director
T +27 (0)11 562 1788
E nicholas.preston@cdhlegal.com



Thabang Rapuleng
Director
T +27 (0)11 562 1759
E thabang.rapuleng@cdhlegal.com



Samiksha Singh
Director
T +27 (0)21 481 6314
E samiksha.singh@cdhlegal.com



Gavin Stansfield
Director
T +27 (0)21 481 6313
E gavin.stansfield@cdhlegal.com



Michael Yeates
Director
T +27 (0)11 562 1184
E michael.yeates@cdhlegal.com



Ndumiso Zwane
Director
T +27 (0)11 562 1231
E ndumiso.zwane@cdhlegal.com



Steven Adams
Senior Associate
T +27 (0)21 481 6341
E steven.adams@cdhlegal.com



Anli Bezuidenhout
Senior Associate
T +27 (0)21 481 6351
E anli.bezuidenhout@cdhlegal.com



Anelisa Mkeme
Senior Associate
T +27 (0)11 562 1039
E anelisa.mkeme@cdhlegal.com



Sean Jamieson
Associate
T +27 (0)11 562 1296
E sean.jamieson@cdhlegal.com



Zola Mcaciso
Associate
T +27 (0)21 481 6316
E zola.mcaciso@cdhlegal.com



Tamsanqa Mila
Associate
T +27 (0)11 562 1108
E tamsanqa.mila@cdhlegal.com



Bheki Nhlapho
Associate
T +27 (0)11 562 1568
E bheki.nhlapho@cdhlegal.com



Siyabonga Tembe
Associate
T +27 (0)21 481 6323
E siyabonga.tembe@cdhlegal.com

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JOHANNESBURG

1 Protea Place, Sandton, Johannesburg, 2196. Private Bag X40, Benmore, 2010, South Africa. Dx 154 Randburg and Dx 42 Johannesburg.
T +27 (0)11 562 1000 F +27 (0)11 562 1111 E jhb@cdhlegal.com

CAPE TOWN

11 Buitengracht Street, Cape Town, 8001. PO Box 695, Cape Town, 8000, South Africa. Dx 5 Cape Town.
T +27 (0)21 481 6300 F +27 (0)21 481 6388 E ctn@cdhlegal.com

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