



REMARKS BY MS. JACQUELINE MUGO, EBS, EXECUTIVE DIRECTOR & CEO FKE, DURING THE INTERNATIONAL LABOUR DAY CELEBRATIONS, NAIROBI, KENYA, 1st MAY 2024 AT UHURU GARDENS

- **Your Excellency William Ruto, President, and Commander in Chief of the Defense Forces of the Republic of Kenya**
- **Your Excellency Rachael Ruto, the First Lady of the Republic of Kenya**
- **Your Excellency Rigathi Gachagua, the Deputy President of the Republic of Kenya**
- **Your excellencies, the ambassadors, and high commissioners present,**
- **Governor Johnstone Sakaja, the governor of Nairobi and all governors present**
- **The Cabinet Secretary for Labour, Hon. Florence Bore**

- **Hon Cabinet Secretaries present**
- **Principal Secretaries present**
- **Dr. Francis Atwoli, The Secretary General, of COTU(K)**
- **The Management Board of the Federation of Kenya Employers,**
- **Senior government officials**
- **The various leaders of the Labour movement present**
- **Leaders present**
- **Ladies and Gentlemen**

Your Excellency the President, allow me to begin my brief remarks by extending warm greetings to all workers and employers across the nation. As we gather to celebrate the invaluable contributions of workers and employers, we also reflect on a crucial theme that resonates deeply with our collective future: ***'Kenyan Workers Stand for Advanced Information Technology Training to Drive Our Digital Economy.'*** This theme underscores the pivotal role of skilled and empowered workers in harnessing the potential of advanced information technology to propel our nation's digital transformation and economic growth.

As the saying goes, “the Future belongs to the prepared.” The important issue is not what the future holds for us but how prepared are we for that future. The World Economic Outlook report released on 16th April 2024 indicates that slowdown in total factor productivity, increased misallocation of capital and labor between firms within sectors, demographic pressures, and a slowdown in private capital formation as the key challenges facing the world economy today.

Depending on how you look at them, these challenges also present opportunities that we can tap into to take our country to the next level. Improving our productivity at macro and micro level is something we should focus on if we are to remain competitive as a country. It is high time that we took significant steps towards increasing our productivity.

Your Excellency,

Regarding Kenya’s Demographics, it is worth noting that nearly two in every three new entrants into the global workforce, over the medium term, will come from India and sub-Saharan Africa. The developed economies and China will struggle with the effect of an ageing population. The global

imbalance in labor supply also points to the importance of migrant workers for advanced economies and labour migration for India and Sub-Saharan Africa.

Your Excellency, employers support your efforts in advocating for well regulated labour migration. We need to improve both our skills systems and labour migration policies to ensure that our people who migrate to work can compete for high income quality jobs.

Another reality is that whereas the labour force participation rates are projected to decrease in advanced and high income middle economies, low-income countries are expected to experience a robust 2.1 percent growth in labor supply, highlighting the need for Africa to focus on job creation to translate this supply growth into employment. We need to focus on programmes that spur growth of job rich sectors such as manufacturing, agriculture, tourism and hospitality, among others. We need to support our enterprises to expand and create employment for our people.

Your Excellency,

For us to create a labour market environment that supports business growth and employment creation, three key actions are needed namely:

1. Strengthening of Social Dialogue and Tripartism.

Collaborative engagement between government, employers, and workers' representatives is not just ideal; it is a practical necessity for fostering mutual understanding, resolving industrial disputes amicably, and creating work environments that are conducive to productivity and workers well-being. I want to appeal to the government and the Doctors to give social dialogue a chance to resolve the ongoing strike to alleviate the suffering of Kenyans. When all stakeholders come to the table, with a willingness to listen, learn, and compromise, when necessary, it paves the way for sustainable solutions that benefits everyone involved. We get win-win-win solutions.

Your Excellency, Social dialogue is effective when we create and support institutions of social dialogue both at National and enterprise level. For example, we need strong and functional

National Labour Board, Wages Councils, and enterprise level committees and councils.

Your Excellency, the Secretary General of COTU(K) is on record pushing for a general wage increase. This is not provided for or envisaged in labour relations. There is no legal framework that supports general wages increase in Kenya. It negates freedom of enterprise. The determination of wage review beyond Minimum Wages set by the State is done through negotiation of Collective Agreements or at employment contract level. I want to implore us to delink wages adjustments including statutory minimum wages from the National Labour Day celebrations. As at today, no minimum wage council has met to deliberate and advise on the Minimum wages adjustments as required by law. Therefore, any call to adjust minimum wages without following the laid down procedure and law undermines social dialogue and tripartism.

2. Respecting the Independence of Trade Unions and Employers' Organizations

The independence of trade unions and employers' organizations is fundamental to harmonious labour relations. Upholding their

autonomy and rights not only promotes fair labor practices but also fosters a culture of constructive dialogue and partnership. When each entity can voice their concerns, ideas, and aspirations freely, it creates a foundation of trust and collaboration that is essential for long-term success and proper functioning of the labour market ecosystem.

3. Supporting and Protecting Businesses

I want to highlight the critical importance of supporting and protecting businesses as they are the backbone of our economy and the pillar of our society.

Supporting businesses means creating an enabling environment for enterprises that fosters innovation, entrepreneurship, and investment. This includes providing access to capital, promoting market competitiveness, streamlining regulatory processes, and offering incentives for growth and expansion. By supporting businesses, we create a ripple effect of economic opportunities that benefit workers and their families.

Your Excellency, in my engagement with various business leaders and entrepreneurs, their request to government is simple: “they need a stable, predictable and simple regulatory framework that will enable their businesses to cope and grow.”

This regulatory framework will also support informal businesses to become more productive, access regional and international markets, improve on their skills, and acquire modern technology and equipment in their production to boost the economy.

Lastly your excellence,

As we celebrate the hard work and dedication of workers and employers across all sectors, let us reaffirm our commitment to the development of a harmonious and efficient labour market. Together, we can build a more inclusive, equitable, and prosperous future for us all.

Happy Labour Day to you all!