Doing Business in Africa: some challenges

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Challenges of Doing Business in Africa

Introduction

In 2000, the Economist depicted Africa as “the hopeless continent” where “wars still rage from north to south and east to west” and countries deluged by government-sponsored thuggery, floods, famine, poverty, diseases and pestilence (Economist, 2000). Such depictions have fuelled pessimism about the attractiveness and efficiency of the Africa’s business environment among businesses and policy makers. Other regions like Asia and Latin America have on the other hand received endorsements as favourable places for doing business during the same period. A number of scholars have tabled additional reasons in support of this Afro-pessimism. Asiedu (2003) and Ajayi (2006), for instance, suggest that issues with governance failures, macroeconomic instability or policy failures, problems of policy credibility, poor liberalisation policies, political instability, corruption, poor infrastructure, inflation and investment restrictions are some of the reasons accounting for the negative image of the continent. Others mention diseases, natural disasters, military coup d’états and wars as part of Africa’s problem (Cleeve, 2009). Rogoff and Reinhart (2003) showed that during the 1960-2001 periods, 40% of the countries in Africa have had at least one war, and 28% had two or more wars. Musila and Sigue (2006) noted that this rate is three times more than that in the Western Hemisphere (excluding Canada and US), and twice that of Asia. These evidences and depictions have been fuelling Afro-pessimism within the international business community.

In recent times however, while the other emerging regions (Asia and Latin America) continue to receive much attention as good business destinations, the African region is surprisingly beginning to gain a positive image as a favourable environment for business. It has been suggested to be the second-fastest-growing region in the world over the past decade with an annual growth rate of over 5 per cent (Lund & Van Wamelen, 2012). The Global Edge (2013) further observes that Africa has large business opportunities to offer. Aside the colossal deposit of natural resources, the continent is said to have 60 per cent of the world's unused cropland (Lund & Van Wamelen, 2012). There is also a $480 billion infrastructural development opportunity, an increasing number of educated workforces with the right skills and capabilities, and a growing market for businesses (Penisi, 2013).

These have resulted in the growth of foreign direct investment to the region at a compound rate of 20 per cent over the past four years. This is also ascribed to be driven by perceptive investors who are seeking to diversify their portfolio in markets outside their traditional Asia-Pacific markets, and as they face up to the prospects of lower returns in more matured markets (Daley & Blankson, 2008; Nwankwo, 2000). Saker (2011), a partner at the KPMG Africa Advisory Practice section, revealed that six out of ten of KPMG's 1000 largest clients in the world had since 2007 invested capital and continue to operate in Africa. The expansion of global companies into the region has been accompanied by increasing confidence in African economies and the growth of local businesses. Investments from local companies in Africa have expanded by 42 percent since 2007 (Global Edge, 2013). It is argued that this economic turnaround can be attributed to greater institutional improvement such as political stability and other reforms that have unleashed the private sector of many African countries (Penisi, 2013).

Despite, this new trend of optimism, there are still a number of challenges that businesses encounter in their operations within the continent. This chapter sheds light on some of these challenges of doing business in the SSA region. The chapter focuses on formal and informal institutional challenges of doing business in Sub-Saharan Africa (SSA)

Institutions and Business Activities in Africa

Scholars tend to differ greatly on the definition and measurement of the term “institutions”. According to Djankov et al. (2003) institutions stands for a spectrum that runs the full gamut between private and state ownership. North (1990) also opines that institutions are the rules and regulations that structure political, economic and social interaction. Institutional theory argue that institutions are made up of formal constraints (e.g. constitutions, laws, rules, contracts) and informal constraints (e.g. conventions, customs, norms of behaviour – cultural) which by and large influence the regulation and enforcement of economic activities (North 1990; Scott, 1995), Accordingly, institutions can be both informal and formal with the ability to facilitate interaction, influence uncertainty and information and transaction costs. Ahen (2012) suggests that institutions are not limited to the country level but extend to include international and regional agreements, regulations, norms and conventions. Ali, Fiess, & MacDonald (2010) therefore observe that institutions are created to reduce uncertainty associated with human interaction and provide societies with a predictable framework for interaction, without which there would be substantial uncertainties in economic exchanges. Such uncertainties tend to drive the cost of economic activities up, as risk premiums are included in the transaction cost of activities. These perspectives underpin the institutional theory that quality institutions promote efficient economic activities in a country or region. Existing studies indicate that whilst most developed economies exhibit more integrated institutional infrastructure and enforcement mechanisms, less developed economies are characterised by ‘institutional voids’ and lack the institutional arrangements necessary for healthy economic activities (Khanna and Palepu, 1999; Makino et al., 2004, Luo & Tung, 2007; North, 1990). In this regard countries in Africa are generally characterised by weak contract enforcement regimes accompanied by inadequate disclosure.

Formal institutional challenges

Empirical studies present mixed results about the role of formal institutions on economic activities in an economy (Lim 2001; Blonigen 2005). For instance, Harms and Ursprung (2002) and Singh and Jun (1995) failed to identify any significant impact of institutions on businesses and investments in an economy. Noorbakhsh et al. (2001) also report that democracy and political risk as aspects of institutions are not significantly relevant in the case of FDI. Asiedu's (2002) study on the impact of institutions in Africa further concludes that institutions such as political risk and expropriation risk have no significant impact on FDI. Nonetheless, Ali et al. (2010), Dumludag (2009) and others (see table 1) find institutions to be very critical in facilitating business operations, enforcing contracts and in reducing transaction costs. Investors and the business community therefore place emphasis on institutional quality when selecting an investment location (Bevan et al. 2004).

Interestingly and worthy of note, these studies use many different variables in measuring institutions. Ali (2010) have summarised these variables in Table 1 below. Over all, it is evident from Table 1, that democracy, corruption, political and economic stability, freedoms and civil liberties, unclear regulatory frameworks, inefficient bureaucracy, underdeveloped court systems, and corruption are some of the most important institutional variables determining a nation or region's economic performance. It stands to reason that, inefficiency in these areas means a country's business environment is not conducive enough, and poses serious challenges to business operations. For instance, inefficient bureaucracy causes excessive delay of business activities, and increases the transaction cost of businesses. It is thus suggestive that Africa's dismal economic performance over the years is due to the institutional weaknesses characterised by variables and factors related to poor governance.

MNC and foreign firms thus usually evaluate the institutional quality of host nations or regions through a number of indices such as the Global competitiveness index, Heritage Index of Economic Freedom, Public trust of politicians (Corruption index), the World Bank ease of doing business index, Strength of Investor protection index, Global ranking of HIV/AIDS prevalence, etc. The history of institutions in Africa is that of ineffectiveness. Arguably, although countries within the region have institutions the problems often lie with their implementation and enforcement capabilities and capacities. A number of these indices measuring the quality of institutions among countries in the world have consistently placed African countries at the bottom. We therefore argue that the less efficient institutions in the regions, presents major challenges for business operations in the region.

Table 1: Studies Measuring Institutional Variables

Authors	Sample	Institutional aspects considered & their sources	Main results
Addison & Hesmati (2003)	110 countries	Democracy	Democracy has a positive impact on FDI.
Asiedu (2002)	71 developing countries. 1988-97	Political risk & Expropriation risk	Political and expropriation risk have no significant impact on FDI
Asiedu (2005)	22 African countries. 1984-2000	Corruption, rule of law, Political risk.	Less corruption, greater political stability, reliable legal system have positive impact on FDI
Busse & Hefeker (2005)	83 developing countries 1984-2003	Investment profile, internal and external conflict, ethnic and religious tension, rule of law, democracy, Military in politics Government stability, Socio-economic conditions, quality bureaucracy, corruption.	Government stability, the absence of internal conflict and ethnic tensions, basic democratic rights and law & order are highly significant determinants of FDI.
Campos & Kinoshita (2003)	25 transition economies. 1990 – 1998.	Rule of law & quality of bureaucracy	Institutional aspects are positive and significant determinants of FDI.
Drabek & Payne (1999)	49 countries. 1991-95.	Political Risk	The level of transparency in policies and institutions can expect significant increase in FDI inflows.
Gastanaga et al. (1998)	22 less-developed countries	Nationalization risk, contract enforcement, Bureaucratic delay, Business environmental risk intelligence & Corruption	Different institutional characteristics have significant impact on FDI.
Globerman &Shapiro (2002).	144 countries	Governance index, rule of law, political instability regulatory quality, Government effectiveness, Graft and corruption, Voice and accountability	The general Governance Index is more important than its subcomponent and then human development index and Infrastructure index.
Harms & Ursprung (2002).	62 developing & emerging-market countries. 1989-97	Democracy, Political risk, corruption, bureaucracy quality and law and order.	Political freedoms and civil liberties are important.
Jensen (2003)	114 countries. 1970-97	Democracy, Government Reputation, Expropriation, Corruption, Rule of law, and Bureaucracy quality	Democracy has a robust positive impact. Other institutional aspects have no significant impact.
Jun & Singh (1995)	31 countries. 1970-93.	Political risk, operational risk: Business Environmental Risk Intelligence, and Political rights.	Institutional aspects have a positive but not robust impact on FDI.
Meon & Sekkat (2004)	107 countries	Political Risk Index, Corruption; Transparency International &Rule of law & Government effectiveness index	Political risk in general important, not only one single aspect of institutions, such as corruption.
Noorbakhsh et al. (2001)	36 developing countries, 1980-94	Democracy and Political instability	Democracy and political risk have no significant impact on FDI.
Ali, Fiess & MacDonal (2010)	69 developing countries/ 1981 – 2005	Democracy, corruption, political instability and social tension.	These institution variables play a positive and significant impact

Adapted from Ali, Fess & MacDonald (2010)

Informal Institutional (cultural) and Human Resource Management Challenges

Just like formal institutions as discussed above, culture as an informal institution has also been identified to play a critical role in the contemporary business environment. According to Noorderhaven and Tidjani (2001) effective governance and efficient business environments are only possible if systems and institutions are in congruence with the value orientation of the people. In the absence of which agencies and institutions would lack legitimacy and governance would break down posing tremendous challenges to the efficient operations of businesses. Defined as the collective programming of the mind (Hofstede, 1980), culture has therefore been categorised and examined from a number of theoretical perspectives.

Kluckhohn and Strodtbeck (1961), for instance, propounded the theory of value orientation which has been suggested as influential among scholars in the understanding of cultural patterns and in multicultural communications. They suggest five cultural orientations common to all human groups as; human nature orientation, man and nature orientation, time orientation, relational orientation, and activity orientation. Darley and Blankson (2008) applied these orientations to African values and found that they are different from that of the developed Western world. In his four cultural dimensions, Hofstede (1980) also found that Africans are largely collectivist in nature, have feminine attributes, high power distance and uncertainty avoidance as opposed to the highly individualistic, masculine, low power distance and low uncertainty avoidance in many western countries. Trompanaars (1993) also presents dimensions which affirm that African cultural values are quite different to that of the western developed world. These cultural orientations have implications for management of organisations especially the foreign businesses that are taking advantages of the emerging opportunities in the region.

In respect of cross-cultural theory, Jackson (2011) notes that whilst the contribution of Hoftede (1980) has influenced our understanding of the transferability of management and organisational practices across cultures, it appears to fall short in dealing with multi-layered cultures such as those in Africa. In a sense cross-cultural differences in Africa become more complex evidently because no single African culture exits and most individual countries are made up of multiple subcultures. Amoako-Agyei (2009) concedes however, that in spite of the differences, there are some basic cultural beliefs and norms that transcend national boundaries, languages, and ethnicities. She suggests that foreign investors need to be aware of these minimums at the very least. Unfortunately, literature and practical guides on cross-cultural issues on the continent are scarce. Even the common cultural practices are not understood and most foreign investors often seek to impose their cultural and business values to their detriment.

Arguably, globalisation has opened up the region to large scale investments by foreign firms from other parts of the world. The culture is however a fundamental influence on the survival, success, or failure of businesses. Debrah (2002) underscores that certain cultural practices permeate management in modern organisations, and in the case of SSA, some of these practices exert heavy burdens on organisations in terms of inefficiencies and costs. This is particularly the case for HRM related issues in areas such as recruitment, promotion, punctuality, compensation and diversity management. In the case of recruitment, for instance, the collectivist approach portends the tendency for managers to recruit from their families or ethnic origins or tribes. This amounts to favouritism, nepotism and ethnic bias (Debrah, 2002; Amoako-Agyei, 2009). Such an approach to recruitment means that sometimes people are recruited whether there are vacancies or not and irrespective of the type of job and qualifications or experiences required. The same practice applies to employee training and development, which are undertaken without regards to whether the organisation requires further training of employees or not, and whether the candidates have the qualifications and capabilities to succeed on the training. The result of such practices is over-staffing (especially in public institutions), high cost of production and overall, a negative impact on the productivity and attitudes of employees toward work (Abudu, 1986).

The collectivist orientation of the people in SSA may suggest that organisations in the region encounter limited problems associated with diversity within the workforce. The labour market is however far from being one large homogeneous and harmonious community. This is because most countries in Africa are made up of many different ethnic groups and this can sometimes be a source of tension. Thus, managing and motivating employees from these different ethnic backgrounds could be difficult. To circumvent this, Theimann, April, & Blass (2006) suggest that attention to diversity should not undermine the emphasis on common goals and standards, community and what the community stands for. This is evidenced in the findings of Noorderhaven and Tidjani (2001) which revealed that people with different ethnic backgrounds should be able to cooperate for the common good of the society.

Another critical challenge for businesses in the region is the attitudinal orientation of employees in relation to work ethic. According to Debrah (2002) employees have lackadaisical attitudes to work, lack industrial discipline and commitment to the company, and tend to use company time to carry out private or personal activities. Abudu (1986) further reveal that gross inefficiency, lack of civility towards customers, lack of punctuality and the inability of the majority of employees to apply themselves to their official duties, are some of the challenges organisations tend to encounter in the region. Accordingly, employees in many instances tend to treat their full-time jobs as part-time jobs by reporting to work late in the morning only to disappear later in the afternoon to pursue their own business interests for the remainder of the day (Debrah, 2002). In support of this Abudu (1986) observes that organisations' official time, facilities and properties are usually diverted by employees in Nigeria, especially those in the public sector, for their personal benefit and to the neglect of that of the organisation. Darley and Blankson (2008) argue that time in Africa is socialised and does not sacrifice social duties or human relations for clock-time punctuality. Thus, social activities and human relations get more time commitment than organisational goals. Debrah (2002) therefore warn foreign companies doing or seeking to do business in the region to expect employees' lateness, tardiness and lackadaisical attitude to work. Foreign firms could on the other hand, however, seek to provide training and incentives that could lead to changes in these attitudes.

Arguably, managers' attitude to punishment of employees for infractions or serious misconduct, tend to encourage these negative employee attitudes in organisations. Accordingly, the culture of forgiveness by managers and the tendency of employees to beg for forgiveness usually contribute to the failure of managers to discipline employees even for gross misconduct, for fear of being perceived as wicked and unpopular by the workforce (Debrah, 2002). Additionally, young managers may also find it extremely difficult to discipline employees that are older than them because of the culture of respect for the elderly. The inefficiency or absence of an effective disciplinary system within organisations gives employees the impetus to pay less attention to organisational procedures, goals, and demands, which leads to poor work ethic and attitude.

Additionally, the reward system may also be a contributory factor to these negative attitudes towards work. The reward systems in many cases, especially in the public sector organisations, have little bearing on performance. Poor performance management means that usually merit, efficiency, and productivity take second place to ethnicity, sex, age, and length of service in job evaluation and promotion (Abudu, 1986). In some cases, promotion to higher positions is based on having higher qualifications, or progression through the ranks. Employees may therefore perceive the rewards system as not equitable and that may encourage them to invest more time to their private business interests. The above arguments suggest that culture presents challenges to both local and foreign businesses in Africa. For the foreign company, African cultural competence is therefore not an option, but a necessity in order to appropriately design and implement the right policies that will motivate employees and keep them efficient and productive to the company.

The Informal Sector

Within the interface of cultural and institutional influences on business in Africa lies the prevalence of the informal sector. Verick (2006) estimates that as a percentage of gross national income in SSA, the size of the informal economy ranges from 30 per cent in South Africa (largest SSA economy) and almost 60 per cent in Nigeria, Tanzania and Zimbabwe. Using ILO 2002 figures he notes that the sector accounts for 72 per cent of total employment in SSA. Drawing on work done by Chen (2001), he also emphasises that about 93 per cent of jobs created in Africa in the 1990s were in the informal sector. Benjamin and Mbaye (2010) note that most studies relating to the informal sector focus on employment rather than structural issues. They indicate that in West African, for example, there are both large and small informal firms. Large informal firms (measured by sales) have weak administrative structures, whilst large formal firms of comparable size exhibit coherent organisational structures. They argue that such large firms often rely on political connections and dabble in fraud, bribery and corruption in a business environment with weak regulatory infrastructure

(Benjamin and Mbaye, 2010). Central to their argument is the fact that most of these large informal firms have the resource base to formalise but refuse to do so. We argue that to some extent these large informal firms can compete unfairly with large formal local and foreign firms of comparable size. Verick (2006) notes that the growth of the informal sector has occurred with increasing globalisation with arguable detrimental consequences on some small informal firms as multinationals seek to exploit low labour costs in developing countries. He further argues that empirical evidence so far suggests there are winners and losers. Thus, it stands to argue that activities of large informal firms tend to impact the operations of both formal local and foreign firms in the same business environment.

Empirical Literature on Potential Institutional and Cultural Challenges

To enhance our understanding of the potential institutional and cultural challenges of doing business in Africa, we use secondary data sources. These secondary data sources are mainly indices published by international agencies and employed in a number of studies to examine the impact of institutions on businesses or FDI (Ali, Fiess, & MacDonald, 2010). We use the ranking of countries on a number of indices to examine the quality of institutions in the region in comparison to countries in other regions. Though there are a number of these indices, the data extraction in this study was restricted to the Global competitiveness index and the World Bank ease of doing business ranking of African countries. These two indices are the most comprehensive that cover the institutional perspectives reported in the literature (See table 1).

The Global Competitiveness Index is considered to be the most comprehensive annual assessment of the competitiveness landscape of 144 countries, providing insights into the drivers of their productivity and prosperity. There are 12 main drivers used to measure and compare the competitiveness of these countries, and they include institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, business sophistication and innovation. It is worth underscoring the importance of institutions in this index as it is the first of the 12 pillars and the first among the indices for measuring countries' competitiveness. Institutions in this instance go beyond the legal framework and take into account the attitudes of governments towards markets and the efficiency of business operations. Accordingly, the quality of institutions has a strong bearing on competitiveness and growth, and influences investment decisions as well as the organisation of production of goods and services (Schwab, K. & Sala-i-Martin, 2012).

Table 2 illustrates the level of competitiveness of African countries among other 144 countries. The first two columns reveal that no African country is among the top 15 competitive countries in the world. The best performing African countries on this index as shown on the last two columns on Table 2, reveal that no African country is even among the top 50 countries with South Africa occupying 52nd position as the most competitive country from the region on this index. The middle two columns of the same Table underscore that majority of the least competitive countries on the ranking are from Africa. Out of the top 15 least competitive countries, 73% (11) of them are African countries, suggesting that the competitiveness of countries in the region is poor. The implication is that, there are institutional inefficiencies and other bottlenecks that pose significant challenges to the efficient operations of businesses in particular and economic growth in general.

Table 2: The Global Competitiveness Report 2012-2013

Top 15 countries		Bottom 15 countries		Best 15 African countries	
Country	*Rank*	*Country*	*Rank*	*Country*	*Rank*
Switzerland	1	Madagascar	130	South Africa	52
Singapore	2	Cote d'Ivoire	131	Mauritius	54
Finland	3	Zimbabwe	132	Rwanda	63
Sweden	4	Burkina	133	Morocco	70
Netherlands	5	Mauritania	134	Seychelles	76
Germany	6	Swaziland	135	Botswana	79
United States	7	Timor-Leste	136	Namibia	92
United Kingdom	8	Lesotho	137	Gambia, The	98
Hong Kong SAR	9	Mozambique	138	Gabon	99
Japan	10	Chad	139	Zambia	102
Qatar	11	Yemen	140	Ghana	103
Denmark	12	Guinea	141	Kenya	106
Taiwan, China	13	Haiti	142	Egypt	107
Canada	14	Sierra Leone	143	Algeria	110
Norway	15	Burundi	144	Liberia	111

Source: World Economic Forum (2013): www.weforum.org/gc

Table 3: Ease of Doing Business Index 2012-2013

Top 15 countries		Bottom 15 countries		Best 15 African countries	
Country	*Rank*	*Country*	*Rank*	*Country*	*Rank*
Singapore	1	Djibouti	171	Mauritius	19
Hong Kong SAR, China	2	Angola	172	South Africa	39
New Zealand	3	Zimbabwe	173	Tunisia	50
United States	4	Haiti	174	Rwanda	52
Denmark	5	Benin	175	Botswana	59
Norway	6	Niger	176	Ghana	64
United Kingdom	7	Cote d'Ivoire	177	Namibia	87
Korea, Rep	8	Guinea	178	Zambia	94
Georgia	9	Guinea-Bissau	179	Morocco	97
Austria	10	Venezuela, RB	180	Egypt	109
Finland	11	Congo, Dem Rep	181	Uganda	120
Malaysia	12	Eritrea	182	Kenya	121
Sweden	13	Congo, Rep	183	Cape Verde	122
Iceland	14	Chad	184	Swaziland	124
Ireland	15	Central African Republic	185	Ethiopia	127

Source: World Bank, 2012| http://www.doingbusiness.org/rankings

The World Bank Ease of Doing Business index on the other hand ranks 185 countries based on their comparison on a number (10) of important institutional factors. These 10 institutional aspects include the ease of starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. From Table 3, it is further revealing that institutional environments in African countries are less efficient, impeding the ease of doing business. Out of 185 countries, the best performing 15 countries on this index are non-African countries, while almost all the worst performing countries on the ranking (except Haiti) are from the African region. Only Mauritius is ranked among the top 20 with two other African countries (South Africa and Tunisia) being ranked among the top 50 best performing countries on this index in 2013. It is again illustrative by the rankings of African countries on this index that institutional bottlenecks present a challenge to doing business in Africa.

Conclusion and Implication for Future Research

Africa is now an undeniable business destination for foreign firms because of its growth and higher profit potential. It is evident that competitive foreign firms can no longer afford to disregard Africa as a place of doing business. Business operations in Africa is however complicated by institutional voids and multi-layered cultural differences. The challenges of poor institutional arrangements are evident in the literature and it appears that policymaking in Africa is not improving the strength and credibility of institutions. This phenomenon adversely influences costs of doing business. There is the need for some multinational firms to work with some of these African governments to develop institutions that will provide functioning, transparent and reliable institutions that would engender a fair and highly profitable business environment for mutual benefit. Unfortunately, whilst a lot had been written about the institutional failures in the region, very little has been done to prescribe solutions to these imbedded institutional problems. On the cross-cultural management phenomenon, there is the need for a comprehensive country by country study on cultural differences and how they influence business organisations and institutional arrangements. Findings from such studies would help investors understand doing business in Africa to an appreciable degree.

Arguably, there is an undeniable link between cultural values and the poor institutional arrangements. Some of these cultural issues affect the productivity of the African workforce and the perceptions of corruption among other issues. In this regard whilst foreign investors are expected to learn more about doing business in Africa with respect to institutional and cultural issues, it is also important that African governments institute policies that will in the long run shape their institutions to improve transparency and efficiency. It is expected that when the institutions are strengthened some cultural norms that inhibit business efficiency could change in the long-run to improve the ease of doing business as well as improve the productivity of firms operating in Africa. With the lack of research on the impact of large informal firms on both forma local and foreign firms, there is the need to explore further and develop informative literature in that respect. Developing the business environment to the extent that more local firms would prefer to formalise their business operations would be a good starting point.

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In contrast to traditional industrial relations practice, HRM is generally perceived to entail a radical individualization of the practice of workplace relationships (Purcell, 1994). Wood and Els (2000) however note that it is not always the case, as unions remain a powerful force in some transitional and developing countries, requiring HRM practices to equally address collective workforce issues. Wood and Els (2000) thus underscore that unions still matter, and, in several cases, retain the power to make or break schemes for reorganizing work.

For example, although unions in Western Europe are considerably weaker than they were in the 1950s, employers in that continent remain considerably less determined to 'cancel the legitimacy of the unions as representatives of the collective interests of working people' (Baglioni and Crouch, quoted in Visser 1992: 40) than their US counterparts. Moreover, unions remain a powerful force in a number of transitional economies, most notably those of southern Africa and Brazil. Unions still matter, and, in several cases, retain the power to make or break schemes for reorganizing work. The flexibility of a country’s

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