

**SIFA**  
Skills Initiative  
for Africa

TC  
Technical Cooperation

# PUTTING YOUTH JOB CREATION AT THE CENTRE:

## Enablers To Accelerate Youth Employment At Scale





## Acknowledgements

AUC and AUDA-NEPAD would like to thank Jet Education Services for the technical support in compiling this paper as well as all representatives from GIZ who have assisted in the creation of this report.

## Authors

### **Jet Education Services**

Andrew Paterson, Kelly Shiohira and Amkelwa Mapatwana



# Contents

<b>1</b>	<b>Background</b>	<b>8</b>
<b>2</b>	<b>The demographic dividend</b>	<b>9</b>
<b>3</b>	<b>Demographic features of African youth populations and regions</b>	<b>12</b>
3.1	Youthful population distributions	12
3.2	Regional differences	13
3.2.1	Youth population demographics	13
3.2.2	Secondary school education: gender access and completion rates	13
3.2.3	Youth not in education, employment or training (NEET) rate	13
<b>4</b>	<b>Employment structures and employment status of youth</b>	<b>14</b>
<b>5</b>	<b>Interlinked policy response to the youth employment and jobs crisis</b>	<b>16</b>
<b>6</b>	<b>Youth transitions into the labour market and within the world of work in sub-saharan Africa</b>	<b>17</b>
<b>7</b>	<b>Limitations on youth access into the labour market</b>	<b>19</b>
7.1	Supply side limitations	19
7.2	Demand side limitations	19
7.3	Alignment limitations	19
<b>8</b>	<b>Active labour market policies</b>	<b>20</b>
8.1	Evidence based selection of active labour market policy interventions	20
8.2	Roles, partnerships and coordination of active labour market policy interventions	21
8.2.1	Which intervention for which problem?	21
<b>9</b>	<b>What has been done: Patterns in African youth employment interventions</b>	<b>22</b>
9.1	Age definitions	26
<b>10</b>	<b>Active labour market policy in Africa: coverage and investment</b>	<b>27</b>
<b>11</b>	<b>Reviews of literature on impacts of ALMP interventions</b>	<b>32</b>
<b>12</b>	<b>Continental level policy responses and intervention frameworks on the challenge of youth employment in Africa</b>	<b>34</b>
<b>13</b>	<b>Need to improve active labour market and social policy interventions</b>	<b>36</b>
<b>14</b>	<b>Key themes emerging from interviews with respondents on youth, skills, jobs and economic growth</b>	<b>37</b>
14.1	Youth as a category	37
14.2	Government	37
14.3	Curriculum delivery and qualification systems	38
14.4	The future of economic sectors relevant to youth	38
14.5	Industry participation	39
14.6	Information and communications technology	39
14.7	COVID-19	40

<b>15</b>	<b>Economic growth policy towards employment</b>	<b>41</b>
	15.1 Key economic relationships	43
	15.1.1 Encouraging value chain thinking and relationships	43
	15.1.2 Regional trade and commerce linkages through the African Continental Free Trade Area	43
	<b>References</b>	<b>44</b>
	<b>Appendix A: Methodology</b>	<b>50</b>
	<b>Online interviews</b>	<b>50</b>
	<b>Literature review and document analysis</b>	<b>50</b>
	<b>References</b>	<b>50</b>
	<b>Appendix B: Case studies</b>	<b>50</b>
	<b>Harambee: Support for young people and linking them with industries</b>	<b>50</b>
	<b>Eastern Cape Communal Wool Growers Association</b>	<b>51</b>
	<b>References</b>	<b>51</b>

## Figures

Figure 1:	<b>Population of Africa by broader age group (1980-2065)</b>	9
Figure 2:	<b>Demographic structure in a country experiencing a demographic dividend</b>	10
Figure 3:	<b>Demographic window of opportunity in Africa</b>	11
Figure 4:	<b>Demographic data for Africa regions, 2020</b>	12
Figure 5:	<b>Population by age category in selected African countries</b>	12
Figure 6:	<b>Secondary school completion as a percentage of enrolment in Africa by region, 2019</b>	13
Figure 7:	<b>Employment structure by income group</b>	14
Figure 8:	<b>Employment status of youth and adult workers, global and by sub-region, 2019 (percentages)</b>	15
Figure 9:	<b>Linkages between employment creation, ALMP and social fund policies to achieve the desired scale</b>	16
Figure 10:	<b>Categorising labour force status</b>	17
Figure 11:	<b>Employment structure in sub-Saharan Africa by country type, 2010</b>	18
Figure 12:	<b>Results of an international review of labour market constraints and interventions</b>	20
Figure 13:	<b>Which intervention programme for which problem?</b>	21
Figure 14:	<b>Thematic focus of 47 project interventions on youth employment/unemployment</b>	22
Figure 15:	<b>Implementing agencies involved in project implementation</b>	23
Figure 16:	<b>Source of funding for interventions/projects</b>	24
Figure 17:	<b>Concentration of projects by the educational status of beneficiaries</b>	25
Figure 18:	<b>Labour market status of beneficiaries</b>	25
Figure 19:	<b>Integration of employment insurance and ALMP by region</b>	27
Figure 20:	<b>Coverage of unemployment benefits and ALMPs (% of population) - Africa</b>	28
Figure 21:	<b>Average spending in ALMPs and PLMPs across regions as a % of GDP</b>	29
Figure 22:	<b>Distribution of spending in ALMPs by type of intervention</b>	30
Figure 23:	<b>Formal and informal employment in selected African countries</b>	31
Figure 24:	<b>Ten ongoing continental initiatives to address Africa's industrial growth</b>	42

## Acronyms

<u>ACQF</u>	<b>African Continental Qualifications Framework</b>
<u>AfCFTA</u>	<b>African Continental Free Trade Area</b>
<u>AfDB</u>	<b>African Development Bank</b>
<u>ALMP</u>	<b>Active labour market policies</b>
<u>APCI</u>	<b>The African Productive Capacity Initiative</b>
<u>ATJ</u>	<b>Africa Talks Jobs</b>
<u>AU</u>	<b>African Union</b>
<u>AUC</u>	<b>African Union Commission (AUC) and the</b>
<u>AUDA-NEPAD</u>	<b>African Union Development Agency</b>
<u>CAADP</u>	<b>Comprehensive Africa Agriculture Development Programme</b>
<u>ECA</u>	<b>Economic Commission for Africa</b>
<u>EU</u>	<b>European Union</b>
<u>GDP</u>	<b>Gross domestic product</b>
<u>ICT</u>	<b>Information and communications technology</b>
<u>ILO</u>	<b>International Labour Organization</b>
<u>NEET</u>	<b>not in education, employment or training</b>
<u>NGO</u>	<b>Non-governmental organisation</b>
<u>OECD</u>	<b>Organisation for Economic Co-operation and Development</b>
<u>PIDA</u>	<b>Program for Infrastructure Development in Africa</b>
<u>PLMP</u>	<b>Passive labour market policy</b>
<u>SIFA</u>	<b>Skills Initiative for Africa</b>
<u>SMMEs</u>	<b>small, micro and medium-sized enterprises</b>
<u>STI</u>	<b>Science, Technology and Innovation</b>
<u>UN</u>	<b>United Nations</b>
<u>UNESCO</u>	<b>United Nations Educational, Scientific and Cultural Organization</b>
<u>UNFPA</u>	<b>United Nations Population Fund</b>
<u>YEI</u>	<b>Youth Employment Inventory</b>

# 1 Background

The African Union has adopted AGENDA 2063 as Africa's blueprint and master plan for transforming Africa into a global powerhouse of the future. AGENDA 2063 is the continent's strategic framework that aims to deliver on the goal of inclusive and sustainable development and is a concrete manifestation of the drive for unity, self-determination, freedom, progress and collective prosperity pursued under Pan-Africanism and the African Renaissance.

Currently skills, employment and markets are at the top of the continental agenda. Large numbers of young people on the continent face unemployment, and many more are likely to endure similar circumstances unless the contributing factors are controlled, curtailed or reversed.

As part of its response to the plight of limited employment opportunities for African youth, the African Union Commission (AUC) and the African Union Development Agency (AUDA-NEPAD) created the Skills Initiative for Africa (SIFA) with support from the German Government and the European Union (EU). SIFA promotes occupational opportunities for young Africans through supporting innovative skills development programmes and close cooperation with the private sector as an integral stakeholder in job creation. Upon its inception, SIFA convened the Africa Talks Jobs (ATJ) dialogue event in 2017 to involve the private sector, educational institutions, international organisations, civil society and governments in providing strategic orientation and recommendations for action to drive the African skills agenda, based on experiences in AU member countries.

As part of the ongoing mobilisation of efforts towards neutralising the threat of African youth unemployment and creating job opportunities through industrial growth, SIFA has commissioned this discussion paper to engage a variety of stakeholders on the topic. This contribution to the dialogue is intended to touch on salient issues related to identifying, understanding and then designing, planning and implementing African country responses to African youth unemployment at scale in the 2020 decade.

Specifically, this work is commissioned to expand on the topic: "Putting youth job creation at the centre: Enablers to accelerate youth employment at scale". Introducing the issue of working at scale is an important element, particularly in the context of a high need for youth access to skills and jobs. It is acknowledged that "the consequences of youth unemployment in Africa are pervasive and severe" (AfDB, 2016b: 1).

The need to deliver at scale is based on the large population of African youth who currently and in future decades will need work skills, jobs and opportunities. The immediate demographic pressure of youth generations on the capacity of African states to deliver demands urgent and effective responses, as reflected in the statement: "There is therefore an urgent need to create opportunities for youth, with tremendous potential impact" (AfDB, 2016b: 2, emphasis added) However, the relevance of up-scaling job creation and employment interventions or projects has not so far been rigorously considered as an issue in its own right in the public discourse or published literature on employment and job creation in Africa, and the need to deliver at scale has only increased as a result of the devastating effects of the COVID-19 pandemic globally and in Africa. Gross domestic product (GDP) growth, which is at the centre of creating jobs, has become negative for all African countries and the absorption of new job seekers has been made more difficult. All African countries must now grapple with unemployment figures that are rising at an unprecedented rate.

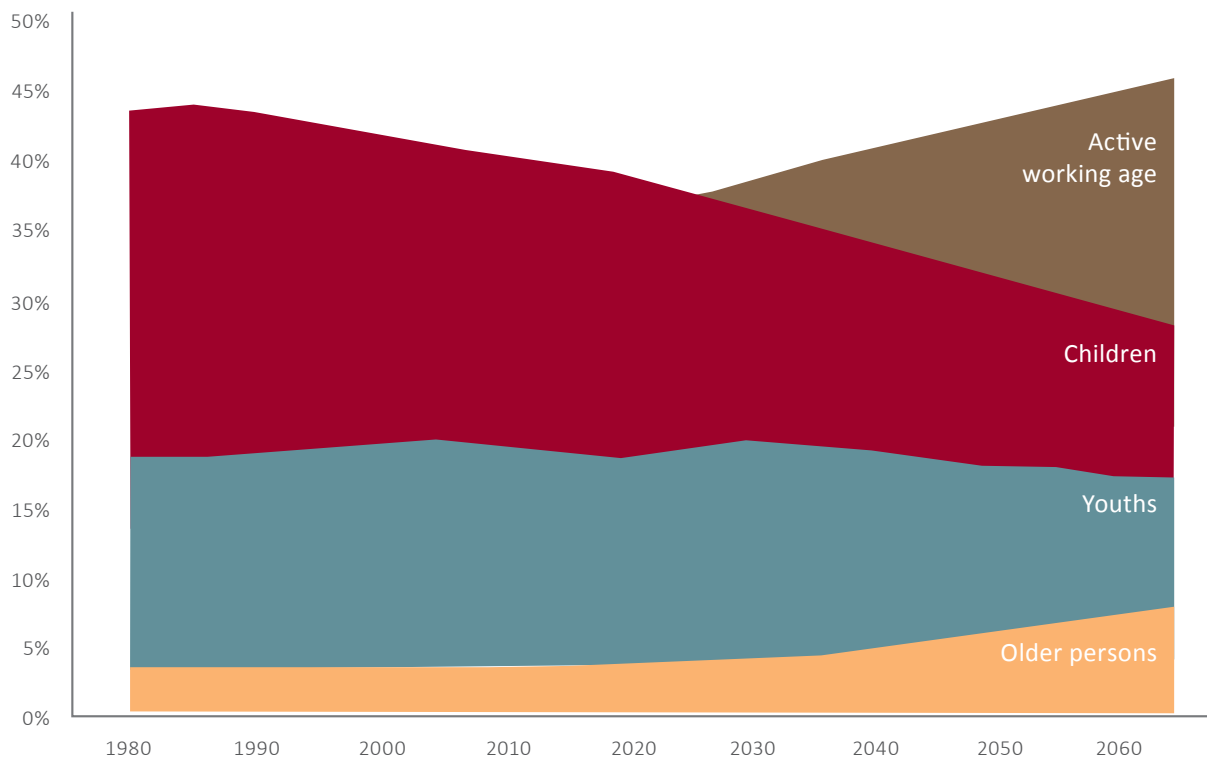


## 2 The demographic dividend

Sub-Saharan African economies, as measured in annual GDP per capita growth, grew rapidly from the mid-1990s, and then slowed down due to the after-effects of the Global Financial Crisis of 2008-12 (Rodrik, 2016). Further, these economies have recently taken body blows from COVID-19 related economic lockdowns of African countries and their global trading partners. The structures of African economies are simultaneously falling under the influence of another slow-

moving but immensely powerful demographic transformation. The annual rate of population change in sub-Saharan Africa began a decline from its peak in the 1980s which is set to continue steadily well into the 21st century. This is illustrated by the declining trajectory of childbirths, whereas due to the earlier high birth rates the proportion of young people entering the active working-age group is steadily increasing.

Figure 1: Population of Africa by broader age group (1980-2065)

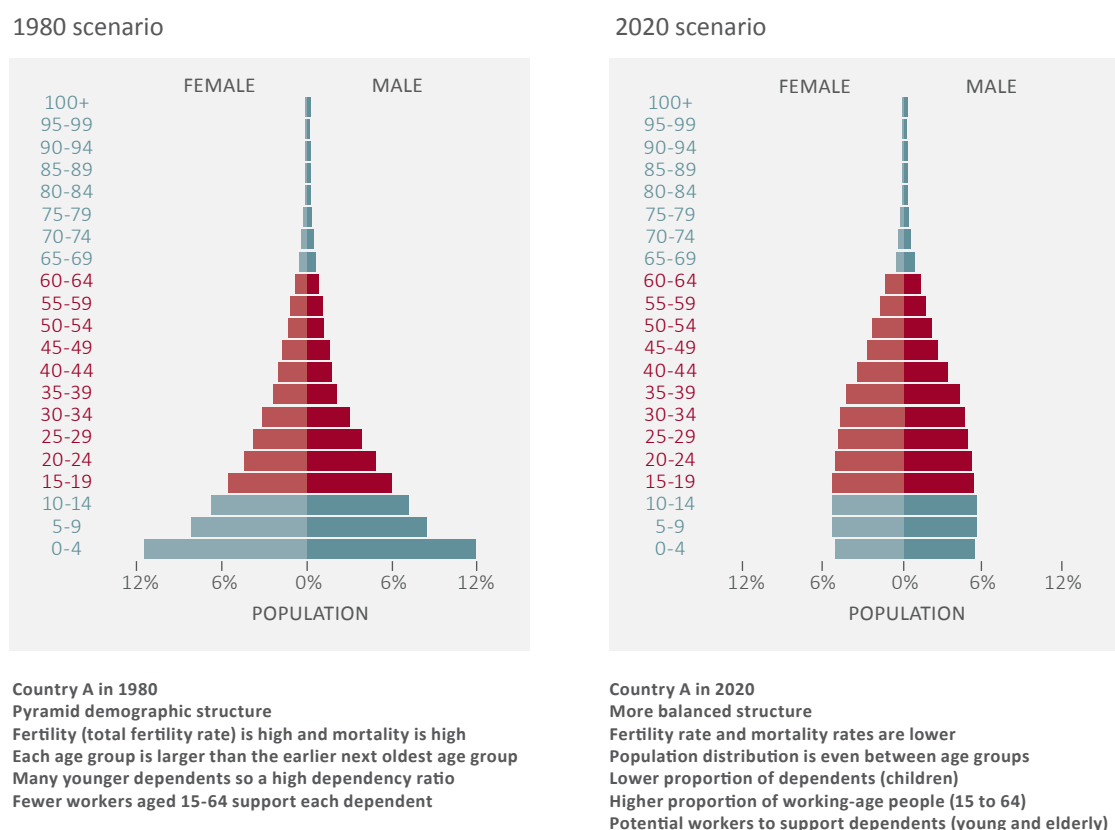


Source: ECA (2016,19)

The age structure of a population changes shape over time, in the long term exerting a powerful influence on economic conditions in a society. This is best illustrated with reference to change in the age structure of a hypothetical developing country in Africa between 1980 and 2020. The figures below reveal how the shape changed from a pyramidal to a cylindrical profile. In 1980, the fertility rate and the mortality

rate were high, with a high dependency of large proportions of children compared to the working-age population. By 2020, the fertility and mortality rates are lower, and the working-age population (15 to 64) is higher with a lower dependency ratio, creating space for governments to allocate social wage resources to developmental opportunities such as improving education.

Figure 2: Demographic structure in a country experiencing a demographic dividend



Source: Adapted from Health Policy Project, n.d.a

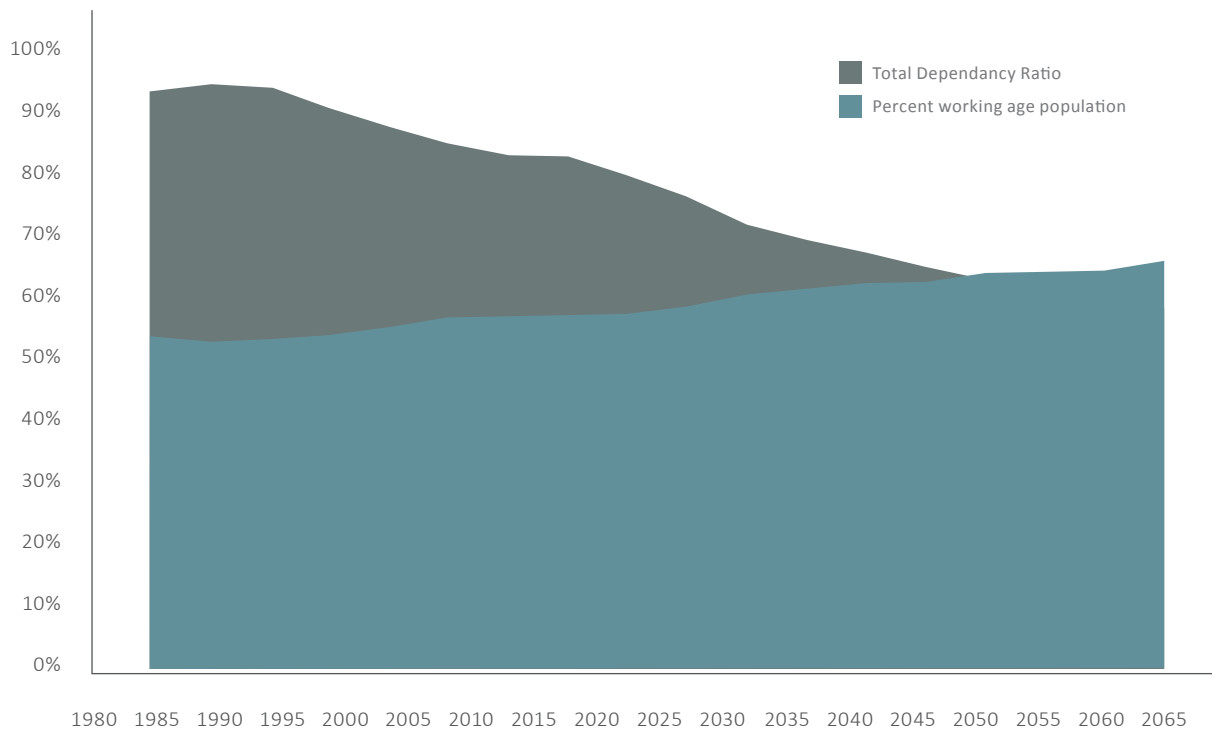
When the demographic shape of a population resembles country A in 2020, there are more appropriately aged people with the potential to become productively employed as they enter the labour force and contribute to economic development and the well-being of future generations.

Africa's dependency ratio<sup>1</sup> peaked in the late 1980s and has decreased slowly since then, whereas working-age people as a share of the population are increasing. This has created a demographic opportunity since the high proportions of working-age people can boost economic growth. These cohorts may be able to contribute to greater national economic productivity and support fewer young and elderly dependents. This is even more important if Africa is compared to other continents. While the workforces in North America and Europe as well as in large parts of Asia are already declining, the African continent will soon be the only continent with a growing working population and a positive dependency ratio.

However, if there are limited jobs available, it will affect the growth of a sustainable economy. Government policy and resource allocation need to create optimal conditions to allow a higher growth rate which will increase the demand for labour. Otherwise, the potential energy of the demographic dividend will not be captured through the medium of productive work. The available jobs that are in demand as a result of government policy should ideally be positioned in occupations and sectors that create value in the economy and that contribute to further job creation. Looked at from this perspective, it is argued that on the African continent the 'population bulge' of millions of young people should not be perceived as a 'youth employment' crisis but actually as a 'missing jobs' crisis (Fox et al., 2020).

<sup>1</sup>The dependency ratio is the ratio of the non-working-age population to the working-age population.

Figure 3: Demographic window of opportunity in Africa



Source: ECA (2016,19)

It is estimated that in South East Asia, fully “one third of the GDP growth experience between 1965 and 1990 was attributable to the demographic dividend” (Heath Policy Project, n.d.b). This is unequivocally a very substantial reward. Based on comparative analysis of a similar demographic dividend event in Africa, Bloom, Kuhn and Prettnner (2016) observe that “the African economy has the potential to grow between 0.5 and 2 percentage points faster over the next five decades than it would without the fertility reduction projected by the United Nations”. The outcome of developing African labour markets and creating employment will contribute to the progress of African countries in exploiting the demographic dividend.

But for this benefit to be realised, there must be an effective investment in youth health, education and employment through public infrastructure projects and private sector involvement. More specific to the labour market, provision must be made for new entrants, who need to have received quality schooling and be equipped with appropriate occupational skills and knowledge. More than this, government foresight and economic planning, together with a positive investment and tax regime for private investors, would need to have successfully created sufficient jobs and demand for skills in the labour market. The conditions for realising the potential benefits of a demographic dividend require a supportive policy environment (Health Policy Project, 2011).

Currently, on the African continent, the disconnect between a growing youth population and low economic growth with low employment generation has been attributed to:

- Lack of quality schooling and post-school vocational education and training;

- Limited relevance of knowledge and skills to the needs of the labour market;
- Economic policy regimes that rely on low income from export of commodities with low beneficiation, vulnerable to external economic shocks;
- Limited propensity of governments and employers to invest in job creation;
- Dependence on the agricultural sector as a buffer to accommodate youth without access to labour market opportunities;
- Limited coordination of social policies to support sustainable population growth.

However, another factor contributes to the skills mismatch: Curricula (methods and content of vocational training and education) are more often than not developed without proper engagement between governments and private sector players (chambers of commerce, employer organisations, etc.), neglecting the interest of future employers in what students should know and what is of secondary importance. While there are different interests at play, all spending of public resources on vocational training that is actually not leading to gainful employment is fruitless expenditure. Recent efforts have leveraged technology to bridge this gap and determine labour market skills demands in real time<sup>2</sup>; however, these initiatives are not yet widely used for skills or curriculum planning.

Over and above these circumstances, two global events roughly a decade apart have severely impacted African economies and employment levels: the global economic crisis of 2008 and its aftermath, and the COVID-19 pandemic.

<sup>2</sup>See, for example: <https://www.burning-glass.com/>

### 3 Demographic features of African youth populations and regions

Figure 4 below summarises populations and median ages per African continental region for reference in relation to the discussion on scaling up employment in Africa. Of note are the populations involved, their rates of change and median ages.

Figure 4: Demographic data for Africa regions, 2020

	Population	Yearly Change	Density (P/Km <sup>2</sup> )	Median Age
East Africa	445,405,606	2.65 %	67	19
North Africa	246,232,518	1.84 %	32	26
Central Africa	179,595,134	3.03 %	28	17
Southern Africa	67,503,635	1.31 %	25	27
West Africa	401,861,254	2.66 %	66	18

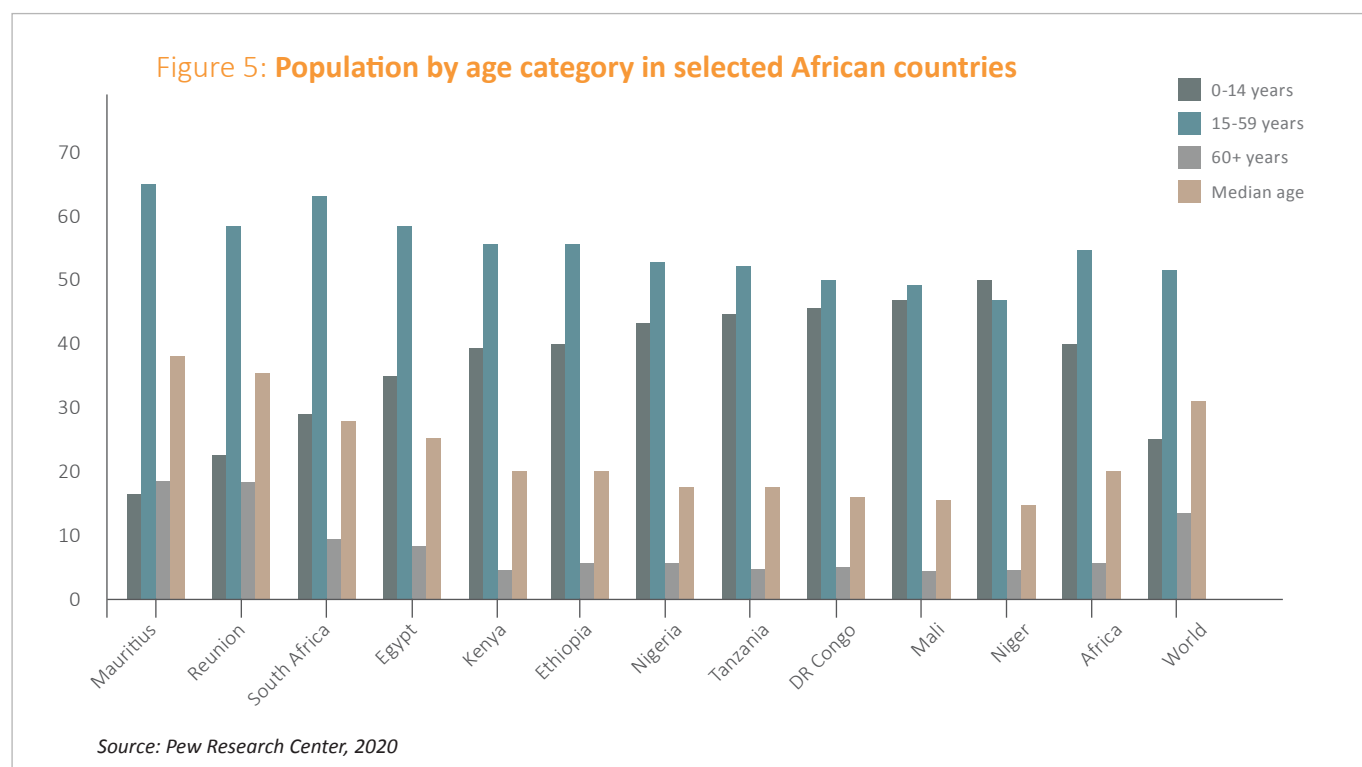
Source: Worldometer, 2020

#### 3.1 Youthful population distributions

Sub-Saharan African countries have large child and youth cohorts. In 2014, the United Nations Population Fund for Population Activities (UNFPA) reported that half of the population was under the age of 18 in 15 countries in sub-Saharan Africa (UNFPA, 2014: 1). Recent age profiles of a group of African countries (Figure 5) reveal that children in the category of birth to 14 can account for as high as 40% of the

entire population. Africa’s child population is set to more than double between 2019 and mid-century and reach 2.5 billion by 2050 (UNICEF, 2017), with concomitant increases in youth populations. With high proportions of young dependents, these countries may struggle to supply adequate services and assistance to their children and youth, who may not all personally reap the benefits of the demographic dividend.

Figure 5: Population by age category in selected African countries



## 3.2 Regional differences

### 3.2.1 Youth population demographics

North Africa has an older population than sub-Saharan Africa. In North Africa, people aged 15 to 64 years account for 61.7% of the total population, while children under the age of 15 account for 32.7%. Features of the North African region that make it somewhat distinctive from sub-Saharan Africa include relatively higher unemployment, together with lower participation rates and a wider gender gap. However, North Africa has higher access to secondary education and a relatively better educated labour force, with less vulnerable workers and lower rates of extreme and moderate working poverty.

- In terms of unemployment, in 2014 and 2015 North Africa's unemployment rate was between 12.5% and 12.1%, which was higher than other African regions. The lower sub-Saharan Africa unemployment rate moved from 7.3% to 7.4% between 2014 and 2015 (ILO, 2016b).
- In sub-Saharan Africa, unemployment rates are relatively low because most employable and active youth cannot afford not to work. Relatively high unemployment rates in North Africa, which has a generally more educated labour force, have been associated with the Arab Spring events.
- In 2016, youth labour force participation rates in North Africa were 18.9% for 15 to 19-year-olds and 44.9% for 20 to 24-year-olds. In sub-Saharan Africa, rates were higher, at 45.2% for 15 to 19-year-olds and 65.8% for 20 to 24-year olds at (ILO, 2016a: 16).

- Gender gaps in the employment rate between 2015 and 2017 were at 26% in North Africa and 5% in sub-Saharan Africa, in favour of males (ILO, 2016a: 22). Labour force participation rates for women in North Africa are among the lowest in the world.
- Vulnerable employment between 2015 and 2017 in sub-Saharan Africa was measured at almost 70% of all employed people, whereas the incidence of vulnerable employment in North Africa stood at just over a third of workers (ILO, 2016b).
- Looking at extreme and moderate working poverty rates by region and by adult and youth status as a percentage of employed populations, in North Africa, the difference between adult and youth rates was less than 5%, whereas in sub-Saharan Africa, the rates for youth in extreme and moderate working poverty were between 10 and 15% higher than for adults (ILO, 2016a: 9). Youth in North Africa are less exposed to poverty than young people in Southern Africa.
- The percentage of working poor as a share of total employment in sub-Saharan Africa from 2013 to 2015 was between 60 and 65%, whereas in North Africa it was between 20% and 25% (ILO, 2016a: 32-33).

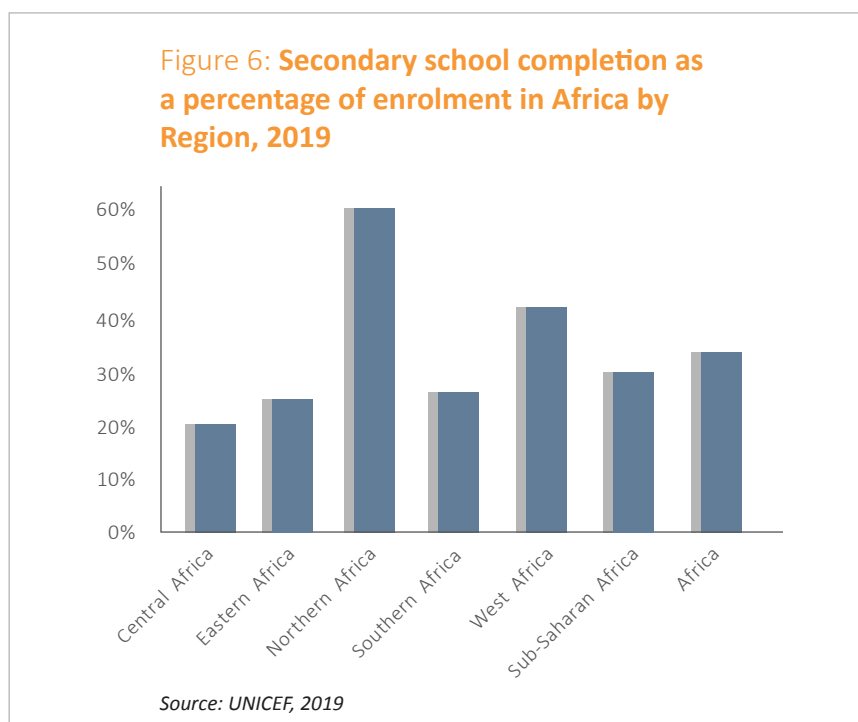
### 3.2.2 Secondary school education: gender access and completion rates

In 2018, in North Africa, 22% of young women of an age that would require them to go to secondary school were out of school. The same figure is even higher at 48% for sub-Saharan Africa (UNESCO, 2020). Compared by region, a much higher percentage of students attending secondary school complete their secondary schooling in Northern Africa than in other regions. The performance of the secondary schooling system in Northern Africa opens up opportunities for post-school education in that region, whereas in sub-Saharan Africa this schooling level represents a bottleneck.

### 3.2.3 Youth not in education, employment or training (NEET) rates

In addition, another figure requires attention: Among youth not in education, employment or training (NEET), the continental rate increased dramatically from 19.4 to 27.7% between 2013 and 2017 (AU, 2019). Southern Africa and

These factors are recognised as contributing to the different labour market policy regimes in North and sub-Saharan Africa.



North Africa had the highest rates of youth unemployment in 2017, at 32.3% and 30.5%, respectively. North Africa had the highest rate of long-term youth unemployment (64.0%) (AU, 2019: 6).

## 4 Employment structures and employment status of youth

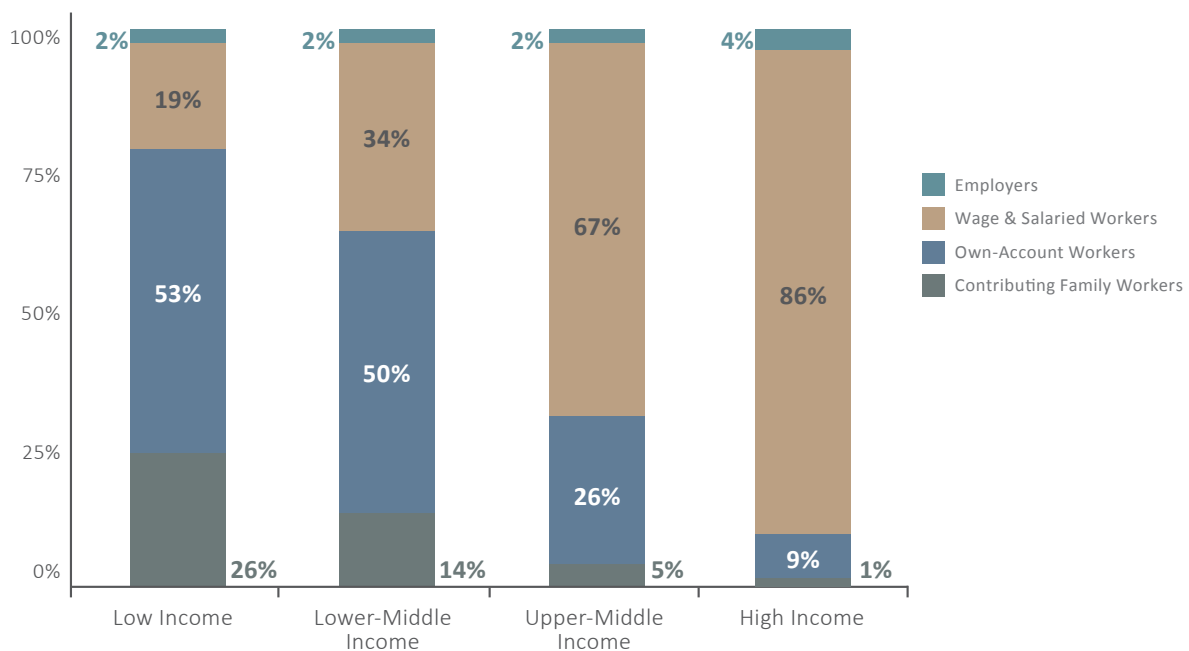
The aim of this analysis is to identify the institution (such as a business) or the social location (such as a household) where the working person is based and what contract applies, as well as benefits such as wages, that may flow to that person. These institutional or social environments and embedded relationships may support or restrict a change in status. Identifying the environments and associated relationships helps to understand the kinds of opportunities for people to change their status within the structure. Work and household cultures, for instance, will influence the decisions that are made regarding change of status, as will an individual's capabilities, skills, financial and other resources. We consider four types of employment status (ILO, n.d.a.):

- **“Employers”** are people who are running their own business and employ workers themselves.
- **“Own-account workers”** are self employed without hired employees.
- **“Contributing family work”** refers to a form of labour that is in general unpaid. The economic units (family farm

or business) where these workers conduct their labour are generally not growth oriented. Income generated into the household indirectly accrues to the family as a collective. This income is used to sustain the family and to support production for the market. (Fox & Upaasna, 2017)

**“Wage and salaried workers”** are working for small, medium and large enterprises or public entities. They – as well as the own-account workers – can work in the formal or informal sectors. **Figure 6** below reflects the distribution of the four types of employment status which apply to people of working-age. This framework is used in conjunction with the World Bank system of classifying countries according to their status as low income, lower middle income, upper-middle income and high income. These categories are used to track how countries are performing against criteria that include reducing poverty, growth etc. We are interested in the characteristic employment structures that can be associated with countries at different levels in the World Bank system.

Figure 7: Employment structure by income group



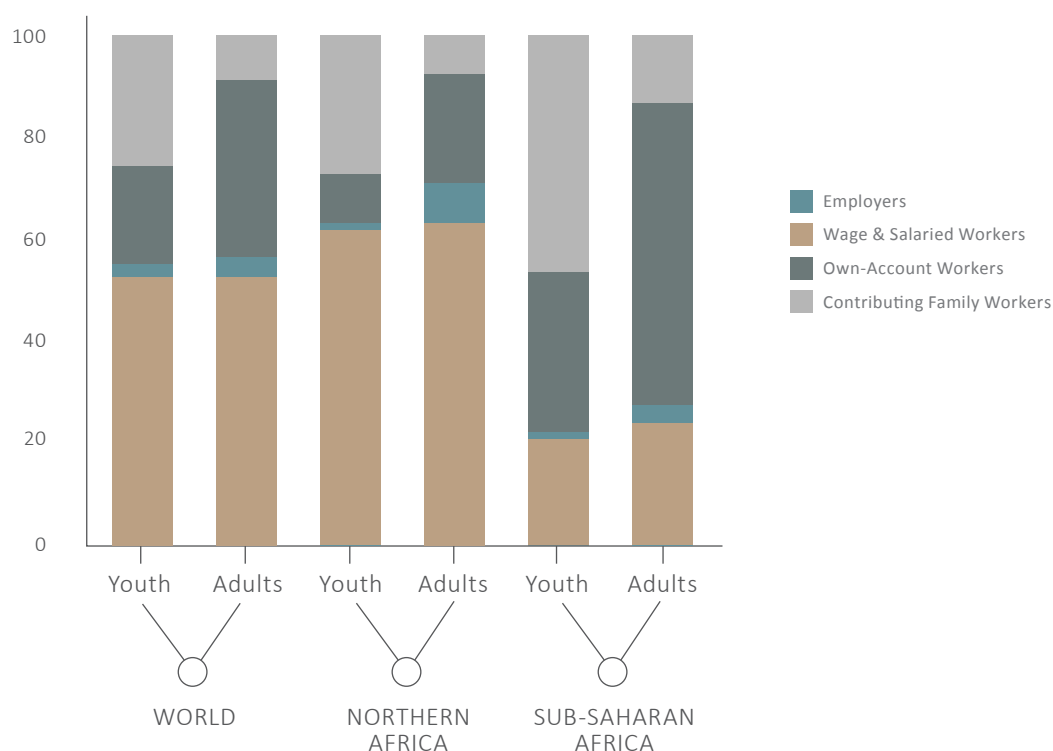
Source: Fox & Upaasna, 2017: 5

A high proportion of own-account workers in a country can point to a large agriculture sector and lower growth rates in the formal economy, while a high proportion of contributing family workers in a country likely reflects low job growth and often widespread poverty within a large rural economy (ILO, n.d.a).

We move from the generalised model in Figure 4 to apply it in an African environment with 2019 data, based on a definition

of youth as being 18 to 24 years of age (**Figure 7**). The employment structure of youth in sub-Saharan Africa bears a strong resemblance to the low-income country category above. Adult worker distribution shows a much higher proportion of own-account workers. More than 40% of sub-Saharan youth are contributing family workers without independent income. This environment may not afford youth much opportunity to learn about the broader world of work.

**Figure 8: Employment status of youth and adult workers, global and by sub-region, 2019 (percentages)**



Source: ILO: 2020a: 43

**Figure 8** above usefully demonstrates substantial differences between the employment structure of the world and Africa as well as between sub-Saharan Africa and North Africa. In the latter region, more than 60% of youth and adults are wage and salaried workers. Broadly speaking, the economies of countries in North Africa may require different active labour market policies (ALMPs) from other regions.

ALMPs would need to be designed to enable pathways out of contributing family work and own-account work, both of which are forms of vulnerable employment according to the ILO. Further, high proportions of these groups live and work in rural areas. ALMPs would need to be designed to enable young people to acquire skills, knowhow and experience that

will capacitate them to negotiate their pathways through the world of work. Further, the design of ALMPs would need to be adapted to meet the specificity of youth experiences and working circumstances in different local economic areas or units. This task is clearly of great scale and implies that there needs to be a strategic balance between policy that activates macro conditions without prejudice to any group or area, with area-based policy that addresses specific conditions. These areas could be small but they also could be large. Different policy regimes in different areas would place requirements for coordination, demarcation and administration. Furthermore, Fox and Upaasna (2017) remind us that economic and labour market changes are slow moving:

*The structure of employment changes more slowly than the structure of output, because the modern firms have to be created, and their creation requires more capital and knowhow than household production. As a result, it is common to find that the share of agriculture in GDP has fallen to 30 percent or less in lower-middle-income countries, while 60 percent or more of the labor force is still working on farms. (Timmer & Akkus, 2008). Only in upper-middle-income and high-income countries does the majority of the labor force find work in wage employment.*

(Fox and Upaasna, 2017: 5)

This observation is important for highlighting the importance of time while social and economic processes unfold at different rates. A case in point is where in lower-middle-income countries, the majority of the agricultural labour force is still located in rural areas, while the impetus for growth has shifted

to the urban economy, but has not manifested physically yet in terms of businesses and jobs. This means that the timing of ALMP interventions needs to be cognisant of these macro-level development lags or interventions could be implemented with rural youth having nowhere to go in the urban areas.

## 5 Interlinked policy response to the youth employment and jobs crisis

The emphasis of this project is on job creation and employment. For the purpose of the analysis, we observe that job creation does not automatically – or necessarily – lead to sustainable employment. Impediments that complicate and frustrate pathways of youth into employment, such as labour market conditions, require the use of various kinds of enablers. How employment is enabled is a central thread running through this paper.

Youth employment can only be enabled to the extent that jobs are created. Likewise, even if job creation is successfully achieved, there will still be labour market demand and supply and alignment constraints requiring policy and interventions. Governments would ideally aim to achieve success in both

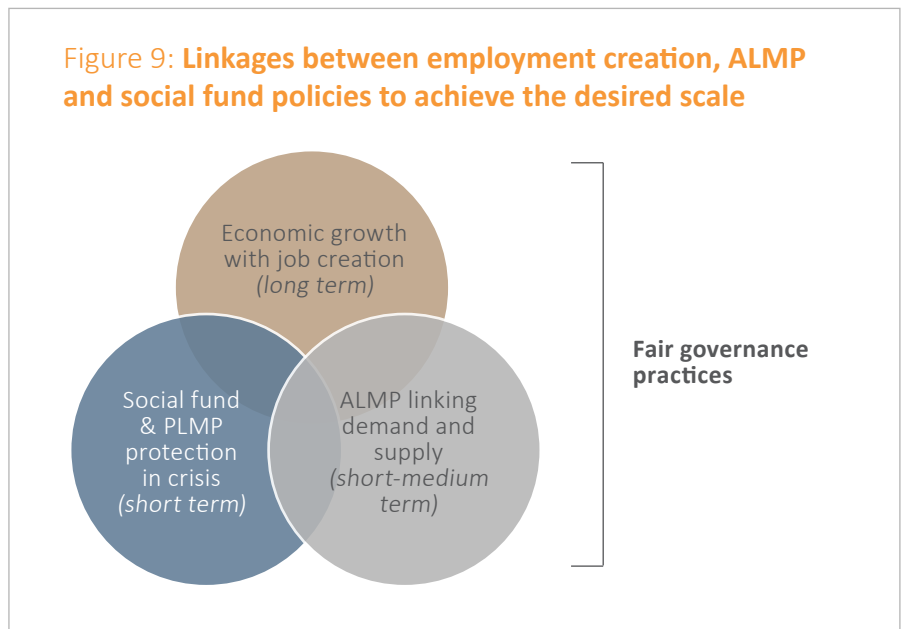
spheres to leverage maximum benefit for youth employment.

There is a third policy element that must be added for poverty and unemployment constrained environments, which is the necessity of social policies. This might also include passive labour market policy (PLMP) unemployment benefits if available (Pignatti & van Belle, 2018). As will be observed, PLMPs are largely unexplored policy routes in most of the African continent. Social funds or poverty relief would be necessary or poor people may not be able to fully capitalise on access to jobs or to benefit from ALMP support.

The three main elements of policy that can be mutually reinforcing are reflected in **Figure 9** below.

The three policy elements are short-, medium- and long-term and will require different time spans to achieve impact. In marginalised regions, forms of social protection may be in place in the long term to reduce poverty and vulnerability. This report will focus on the economic growth within job creation and ALMP policy domains, which are mutually reinforcing but treated separately here for purpose of analysis.

A fourth facet of the policy environment which is noted involves regulations to govern relationships and contracting to protect workers through ensuring fairness and transparency in hiring practices, thus enhancing decent work prospects for youth (ILO, 2020a: 128).





## 6 Youth transitions into the labour market and within the world of work in sub-Saharan Africa

In large parts of the continent, youth are not guaranteed that their transition will take place straightforwardly between school and work.

What is critical for a young person's progress in the world of work is their ability and social capital to acquire various resources to support their transition, both into employment and subsequent to that, sustaining their working and occupational trajectory through their working lives<sup>3</sup>.

More frequently than not, youth labour market transitions are non-linear and recursive. A significant proportion of youth that transition from the education system into employment may then find themselves unemployed or back in some form of training. Their pathways can involve frequent changes of working status. This reflects the low stability of employment amongst youth (Mlatsheni & Ranchhod, 2017: 19).

Most youth tend to remain in the economic sector where they found their first job, implying that there is limited movement of

youth between sectors and likely limited movement between occupations over their working lifetime. In addition, it is likely that the majority of youth will make limited vertical progress into higher skill levels by acquiring additional qualifications and access to skills development.

Therefore, of high importance is the ability of institutions – government, private sector, non-governmental organisations (NGOs) and other agencies – to support young people's initial transitions into the labour market and thereafter to support youth through changes in their status towards the goal of sustainable and decent work.

**Figure 10** below describes the labour market outcomes that may be experienced by a youth entering the labour market for the first time and who thereafter may move between forms of employment and unemployment during her working life.

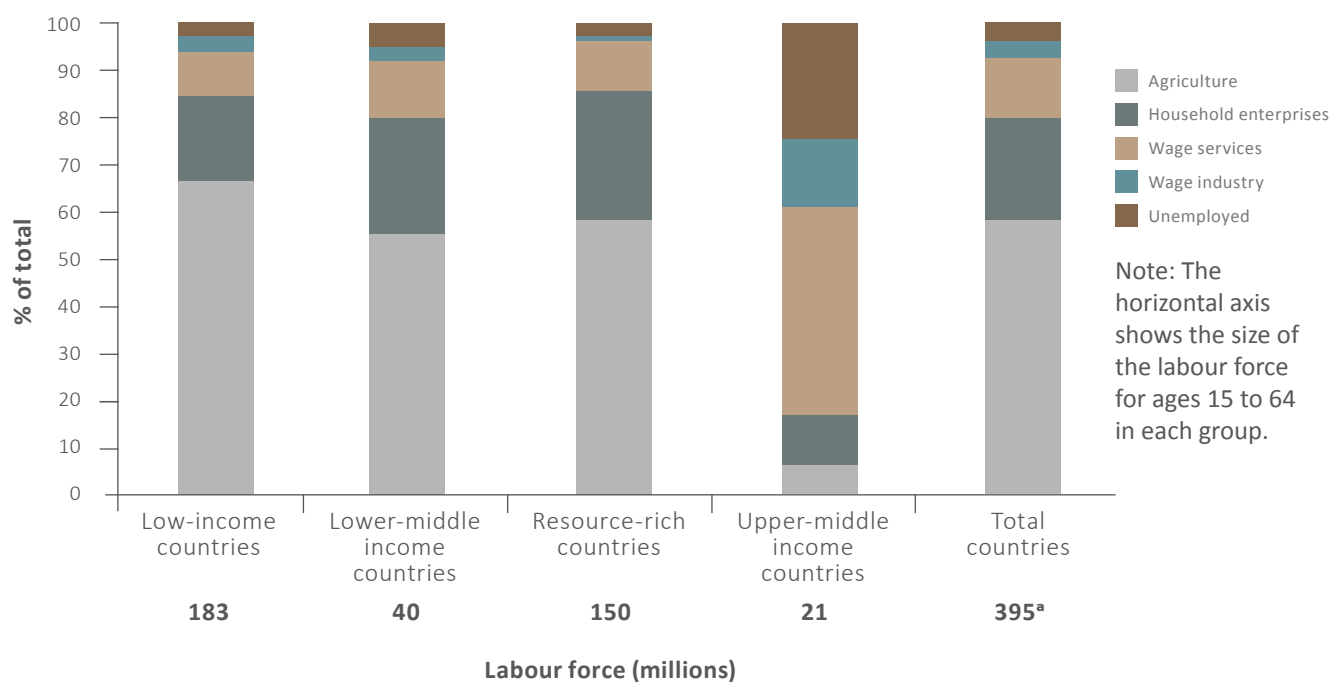
Figure 10: **Categorising labour force status**

1. Labour Force Status	2. Time Use	3. Employment Status	4. Working?	5. Job Quality	6. Formality	
In the labour force	Full-time worker	Wage employed	Employed	Wage employment	Formal	
		Self employed		Vulnerable employment		
		Contributing family worker/unpaid worker				
	Part-time worker	Voluntary part-time employed			Broad unemployment	NEET*
		Involuntary = underemployed				
Out of the labour force	Job seeker	Unemployed		Student		
	Inactivity or housework	Discouraged				
		Inactive				
	In education	Student				

Source: African Development Bank, 2016a: 144

<sup>3</sup>Though this report is not intended to focus on the journeys taken by individuals, it acknowledges that youth face a great diversity of transitional experiences and that the social and economic context can strongly shape the choices that each individual makes. Nevertheless, this analysis recognises the role of individual agency which is influenced by youth cultures and aspirations (Raffo & Reeves, 2000: 147).

Figure 11: Employment structure in sub-Saharan Africa by country type, 2010



Source: Betcherman & Khan, 2015: 9; Filmer & Fox, 2014: 5

Figure 11 shows how there is a remarkable similarity between employment structures in countries in sub-Saharan Africa across three types: low income, lower-middle income and resource-rich countries. In all three, the majority of the population is engaged in agriculture sector activity. The profile for youth would probably show even higher proportions of involvement in agriculture. In looking towards planning interventions, it seems that in terms of job creation and enabling employment, the majority of interventions could focus on agricultural transitions, bearing in mind that within agriculture, differences in needs might be broken down according to whether young people are contributing family workers or self-employed. Realistic intervention strategies would have to take into account local forms of land ownership

and access to resources, distances to markets and the nature of the products being produced by area (Filmer & Fox, 2014).

Household enterprises must be distinguished from households dependent on contributing family workers. A substantial proportion of these are non-agricultural in market orientation and are seen as an important launching point for wealth creation, mobility and poverty reduction. These enterprises offer a positive pathway for rural and poorly educated households, and support for these enterprises is seen as important to enhance the effectiveness of employment and poverty reduction strategies (Fox & Sohnesen, 2016).

## 7 Limitations on youth access into the labour market

African labour markets, it seems, are experiencing problems on both the 'supply side' and the 'demand side'. The pool of young people coming out of education systems or who are currently looking for employment is part of the 'supply side'. On this supply side there may be many young candidates who lack the skills, knowledge, experience and/or personal attributes that employers prefer. In some cases, employers are expanding their business and looking for trained staff, but are not able to

find qualified workers, which limits business expansion. On the other hand, employers may find that few customers require the goods or services they offer, so they do not need to hire more staff. On the 'demand side' employers have no need to hire more workers.

The underlying causes of limited supply and limited demand are presented below:

### 7.1 Supply Side Limitations

These refer broadly to the quality and quantity of the supply of labour, in this case of young people entering the labour market. Factors that feed into supply side limitations include (African Development Bank, 2016a: 145):

- Poor quality of the education system: at the level of basic education, this is visible in weak foundational skills, low participation and high drop-out rates at secondary school. Overall schooling characteristics may include poorly trained teachers and sub-optimal time on task. The educational and skills levels of youth joining the labour force will have been influenced by their schooling experiences.
- Social and household conditions that impact negatively on youth capacity to keep a steady job.
- Low levels of linking social capital among youth.
- Limited curriculum space at school given to entrepreneurial orientations and skills development.

### 7.2 Demand Side Limitations

These refer to a limited availability of employment opportunities for youth that emerge from the following conditions (African Development Bank, 2016a: 145):

- Low levels of country economic growth, especially poor growth even in labour absorbing sectors.
- The structure of an economy where the aggregate levels of employment may be declining and/or where there is a skills bias in labour demand favouring people with higher-level occupational skills: this may be accompanied by employer preference for more experienced workers. These factors limit employment of youth with low levels of education and skills and/or limited work exposure.
- The status quo in the labour market is characterised by limited formal sector jobs and reliance on informal sector and other forms of vulnerable employment in agriculture and households.
- Lack of an enabling environment to help small business and the informal sector grow and therefore require more employees.
- Youth resorting to survivalist business activity on a need basis, rather than entrepreneurial opportunity.

### 7.3 Alignment Limitations

Alignment limitations are caused by instances in which there are people with the right skills available to work at the same time as job vacancies exist, but these fail to be matched. In this case it is a failure, in principle, of the labour market to allocate available human resources to meet the expressed demand of employers.

These situations can be caused by:

- Poor access to information about available jobs and weak youth employment services (e.g. counselling and career guidance) means youth do not have access to the right information.
- The high costs of job-seeking, so that young people cannot afford to go out and look for jobs.
- Negative perceptions that employers hold about young people's suitability.
- Aspirations and expectations held by young people about the world of work that lead them to refuse certain kinds of work.
- Problems relating to the work-readiness and preparedness of young people, even if they possess relevant qualifications and vacancies do exist.

In formulating an approach to addressing these limitations, it is necessary to diagnose the situation and identify the gaps and then define the appropriate labour market policy. The policy instruments that countries apply to address demand- and supply-side limitations are active labour market policies (ALMPs) as mentioned above.

## 8 Active labour market policies

The African Charter on Human and Peoples' Rights states that: "Every individual shall have the right to work under equitable and satisfactory conditions..." (African Commission on Human and Peoples' Rights, 1981: 1). The obligation of government is thus to create the conditions – and remove the impediments – for people to engage in productive employment that enables them to attain an adequate standard of living and freedom to achieve well-being.

In a context of unemployment, governments may implement ALMP that acts on the labour market in ways that help the unemployed find work. ALMP programmes are defined by the OECD (2007) as:

*...all social expenditure (other than education) which is aimed at the improvement of the beneficiaries' prospect of finding gainful employment or to otherwise increase their earnings capacity. This category includes spending on public employment services and administration, labour market training, special programmes for youth when in transition from school to work, labour market programmes to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programmes for the disabled)*  
(OECD, 2007)

### 8.1 Evidence based selection of active labour market policy interventions

**Figure 12** (below) usefully links labour market constraints with options for interventions based on reference to sources of evidence. Of specific interest is how a distinction is made between interventions supported by evidence and certain interventions for which there is mixed evidence of impact (African Development Bank, 2016a: 145).

A further notable element in this table is the reference to the relevance of economic theory underpinning a particular labour market strategy as a means of supporting a decision. **Figure 12** therefore implies that the agency designing labour market interventions is or should be accountable to support decisions through reference to evidence or theory.

Figure 12: Results of an international review of labour market constraints and interventions

Constraints		Evidence based choice of interventions	
Category	Sub-type of constraint	Supported by evidence	Mixed evidence but theoretically sound
Lack of relevant skills (Supply)	Insufficient basic skills	Supply information about value of education	Second chance programmes
	Technical skills mismatch	· Training plus/comprehensive programmes · Information on wage returns to technical specialties	On the job training
	Behavioural skills mismatch		Behavioural skills training
	Insufficient entrepreneurial skill		Entrepreneurial training
Lack of employment opportunities (Demand)	Slow job growth economy	Wage or training subsidies	Public service programs
	Employer discrimination	Affirmative action programmes	· Subsidies to employers who hire target groups · Employee mentoring
Job search limitations	Job matching	Employment services	· Technology based information sharing
	Signalling competencies		· Skills certification · Training centre accreditation
	Cost of job seeking		Transport subsidies
Firm start up constraints	Lack of access to financial capital or social capital	Comprehensive entrepreneurship programmes	Micro finance
	Lack of access to financial capital or social capital		
Social constraints on supply side	Excluded groups (e.g. gender, ethnicity)	· Target excluded groups' participation in programmes · Non-traditional skills training · Safe training/ employment spaces for specific groups	Adjusted programme content or design to address excluded groups' needs

Source: African Development Bank, 2016a: 145

## 8.2 Roles, partnerships and coordination of active labour market policy interventions

In the field of labour market interventions which broadly cover a wide range of expertise and capabilities, an informal division of labour seems to have emerged according to which agencies undertake different kinds of interventions. Over time, the landscape seems to have changed, with more projects involving partnerships between different agencies. The kinds of projects in which agencies choose to participate in likely

reflect their preference and even specialisation for working at particular levels of scale. Scaling up projects may well require partnerships involving more partners, which could introduce inter-agency differences in approach to a single intervention design. A situation like this would require attention to ensuring comparability across intervention agencies and also greater coordination and partnership building efforts.

### 8.2.1 Which intervention for which problem?

A fundamental starting point is the selection of the problem or constraint and of the approach or type of intervention to take forward. In many youth environments, there is usually more than one problem or gap to be addressed. **Figure 13** (below) demonstrates that there may be more than one approach to the problem, and that a substantial number of programmes in Africa and elsewhere implement complex programs that incorporate more than one intervention element in combination. **Figure 13** illustrates these dilemmas of policy direction.

Figure 13: Which intervention programme for which problem?

Nature of problem:	Intervention programme categories:						
	Making the labour market work better for young people	Improving chances for young entrepreneurs	Skills training for young people	Making training systems work better for young people	Improving labour market regulations to the benefit of young people	Comprehensive programmes	Other programmes
High unemployment rates among less-educated youth, & large numbers of out-of-school youth outside the labour force	· Counselling based on accurate labour market information · Wage subsidies · Public works programmes		Literacy & 2nd chance programs		Reform of employment protection regulations	Training, job search assistance, support services etc.	
High unemployment rates among more-educated youth	Counselling, based on accurate labour market information	Micro-finance programmes		Information about high-return training opportunities			Voluntary national service programmes
Over-representation of young people in low-paid & unpaid family work	Wage subsidies		Literacy & 2nd chance programmes		Reform of employment protection regulations		
Apparent skills mismatch			High-return vocational training programmes	Information about high-return training opportunities			
Low take-up of training				Credit, subsidies, vouchers for training			
Severe disadvantage for some categories of young people	Anti-discrimination legislation	Targeted Micro-finance programmes	· Literacy & 2nd chance programmes · Targeted high-return vocational training programmes	Training system with pro-disadvantaged bias		Targeted training, job search assistance, support services etc.	'Social business' programmes targeted at disadvantaged

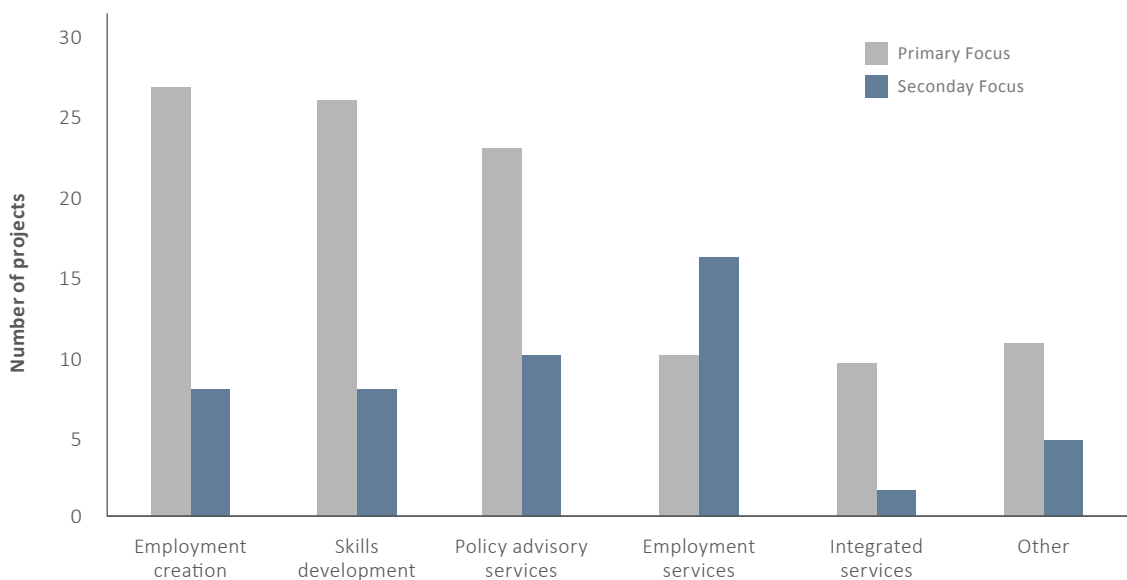
## 9 What has been done: Patterns in African youth employment interventions

Though youth employment interventions are underway in some form in every country on the continent, there is limited data available that describes the features of these efforts either on aggregate or on the individual project basis. One of the few studies available is the ILO research survey project on youth employment interventions in Africa (2012). A sample of 47 projects from all regions of the continent was analysed (ILO, 2012: 15). The analyses included areas such as the thematic areas of intervention, categories of the respective implementing agency, sources of funding, and gaps identified (ILO, 2012).

The survey recognised that interventions would likely impact on more than one focus area (Ref?). For example, a project with

a primary focus on youth skills development might also provide employment services for participants to help them find jobs. For this reason, a primary and secondary focus was captured from survey participants. The summary table shows that across all projects in Africa, creating employment and developing skills, were key themes. This selection makes intuitive sense, yet especially in rural areas where labour market information is typically not readily available, employment services would improve outcomes for creating employment and developing skills. This opens up understanding of the skills value chain and how going to scale on one input will have to be calibrated with other inputs to avoid bottlenecks in the flow of youth beneficiaries into jobs.

Figure 14: Thematic focus of 47 project interventions on youth employment/unemployment



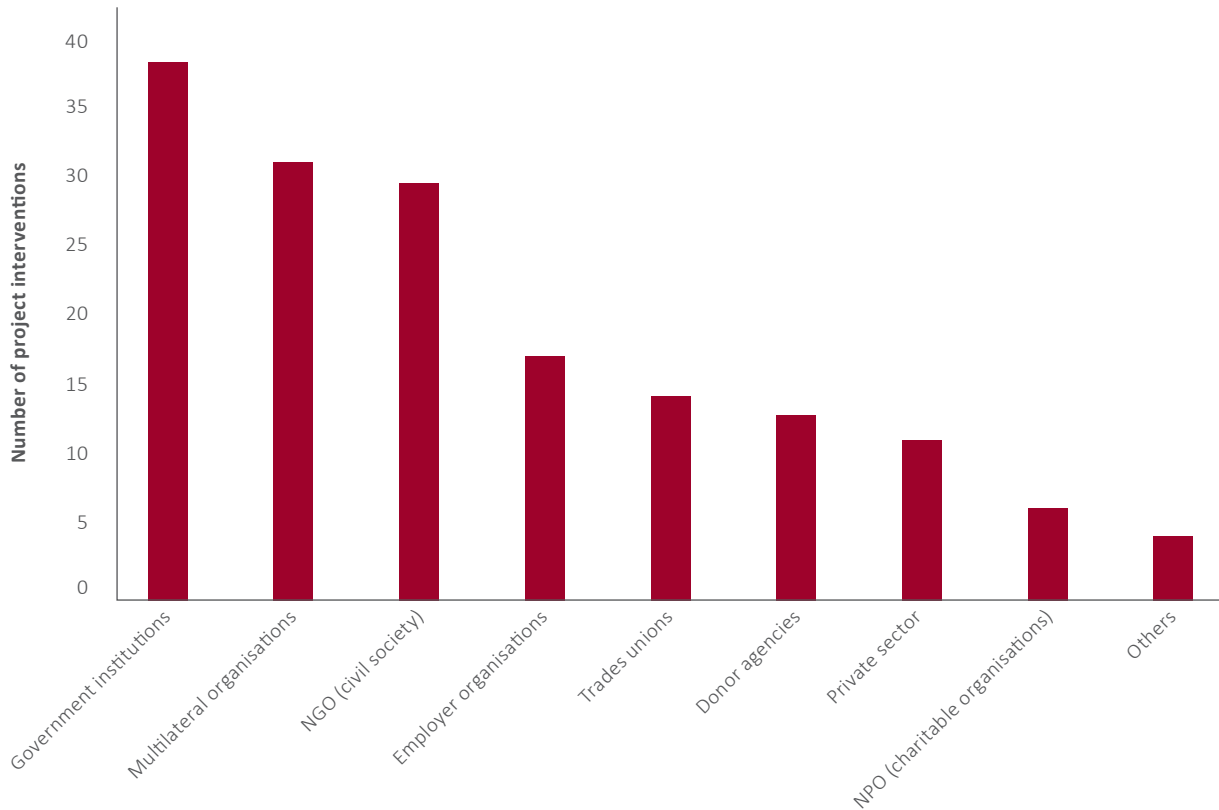
Source: ILO, 2012: 27

The combination of agencies involved in a youth employment project will depend on the nature of the project. In the case of this research, the keyword is 'involved', which may not necessarily be equivalent to partnership. For instance, the survey data shows that government institutions were involved in 38 out of 47 projects (Figure 14). Involvement of government is invariably taken as a prerequisite for collaboration with institutions on the ground. A high proportion of multilateral agency and NGO involvement is apparent, confirming anecdotal observations. Yet it is noteworthy that private sector involvement is very low, as engagement from the private sector

is an important success factor. For projects to successfully go to scale, the absence of core participants in design and implementation can detract from achieving desired outcomes.

Levels of involvement of implementing agencies reported in the survey across many projects suggest that a high proportion of projects were implemented by partnerships. The data suggests that on average each of the 48 projects involved three to four agencies.

Figure 15: Implementing agencies involved in project implementation

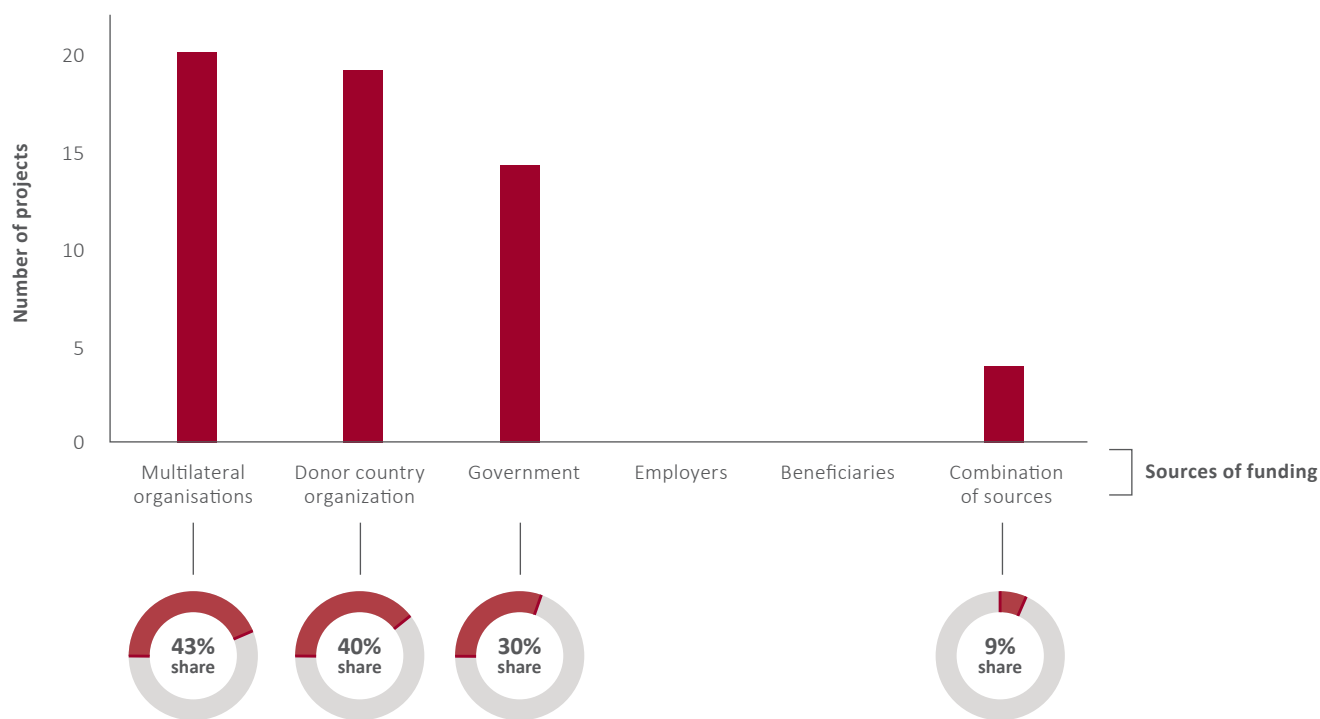


Source: ILO, 2012: 30

In contrast to the number of agencies involved in the project interventions, the burden of funding rested on a restricted group of agencies. The data is given in descending order, revealing that foreign and multilateral agencies provided most of the funding. The pattern reflects a modest contribution from governments. Also noticeable is the absence of employer contributions. This means that internally sourced funding across the continent was of a lower quantum than foreign funding. This discussion suggests that in circumstances where governments elect to go to scale, there will likely be increased need to realise a greater proportion of funding on the continent.

The issue of funding is thus worth further consideration. More research on current funding dynamics and the options for realising high amounts of funding through expanding the base of commitments could be pursued. Of particular interest is outcomes-based or results-based funding (Polastri & Savastano, 2020), in which an investor can receive dividends based on objectives achieved, rather than linking payments solely to implementation. The inclusion of outcomes-based models may spur greater levels of private sector participation.

Figure 16: Source of funding for interventions/projects



Source: ILO, 2012: 32

Only ten projects divulged the number of beneficiaries, giving a total of 83,770 direct beneficiaries across the ten reported on. Consequently, financial and cost-related impacts, cost effectiveness and efficiencies could not be assessed (ILO, 2012: 33).<sup>4</sup>

The survey report further sets out the characteristics of the beneficiaries with reference to their educational status, employment status and ages. **Figure 16** describes the number of projects that concentrated on the educational status of beneficiaries. It shows that 21 projects included beneficiaries with a low educational status (“never attended” school or “less than primary” schooling). The beneficiaries that received most project attention were secondary graduates completing vocational and general programs. The data suggests that these interventions did not distinguish between the two types of school leavers (**Figure 16**).<sup>5</sup>

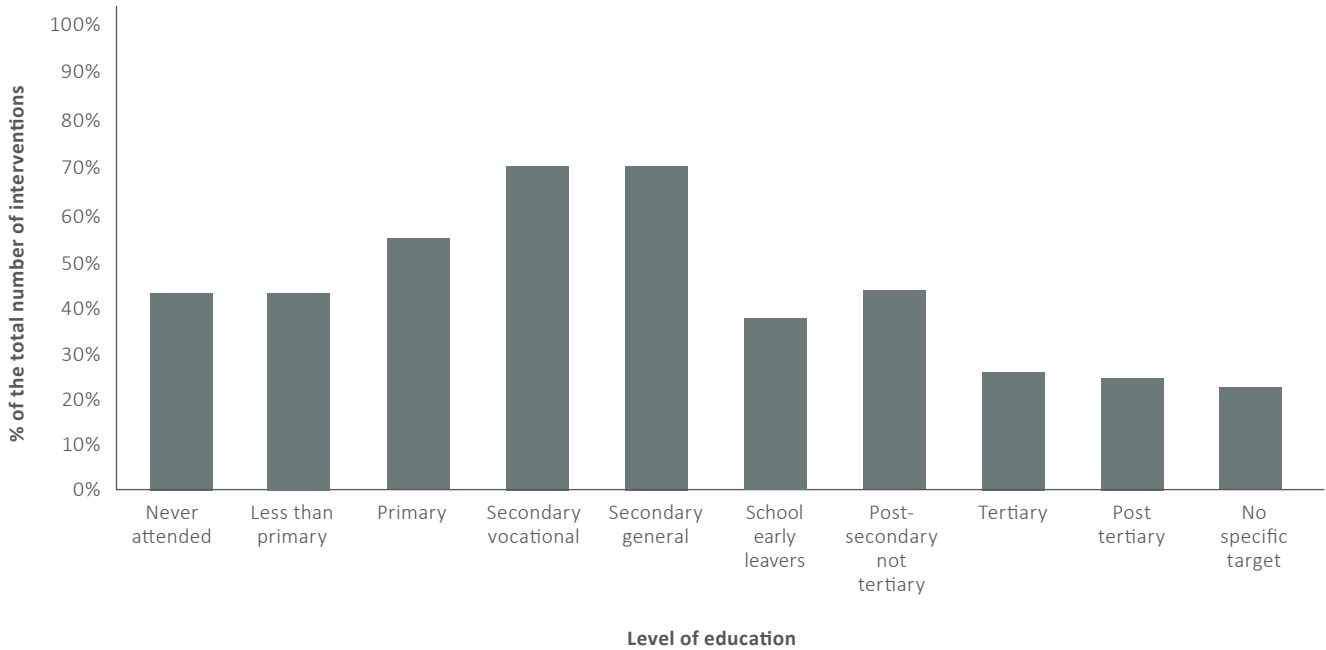
The beneficiary groups that benefited from the most project interventions (**Figure 16**) were secondary leavers (38), followed by primary school learners (20) and post-secondary and tertiary beneficiaries (10). This allocation of projects to certain groups summarises how interventions at the time happened to target groups of beneficiaries. However, the distribution of projects may reveal more about what international and multilateral funders determined as the main areas of need in African countries than the priorities of African governance and labour structures, depending on how much influence governments could leverage in relation to external funders. A critical question to emerge is how governments would allocate proportionate priority between these three broad streams of beneficiary.

<sup>4</sup>This highlights the importance of working systems of data and information capture, transparency and accountability in project management.

<sup>5</sup>An issue introduced here concerns the level of specificity of need or background of the beneficiaries for whom interventions are designed. If intervention designers are inclined to concatenate learners irrespective of their experience, could this affect impact? Similarly, might secondary vocational and secondary general learners benefit more from programmes if treated separately?



Figure 17: Concentration of projects by the educational status of beneficiaries

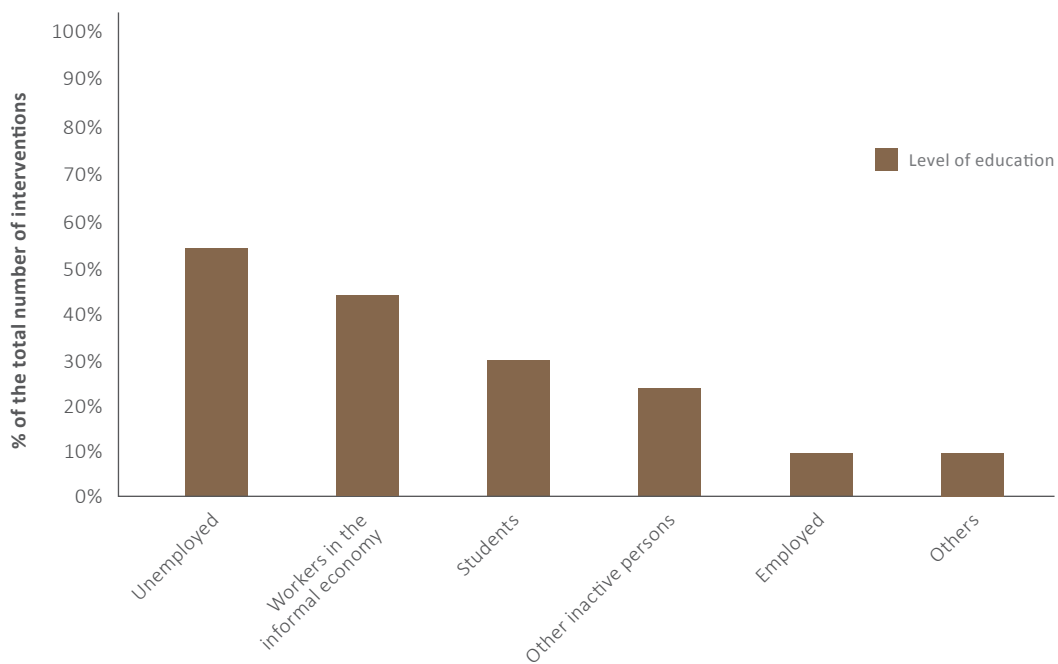


Source: ILO, 2012: 35

Possibly the most strategic perspective is to visualise how the interventions targeted beneficiaries based on their labour market status. In order of the number of interventions per beneficiary labour market category, unemployed workers and then workers in the informal economy received the most attention, followed by current students (Figure 17).

We infer that intervention projects aimed to improve the chances of students as first-time entrants to the market and to support unemployed people to find work. More information is required on the needs that informal economy projects prioritised.

Figure 18: Labour market status of beneficiaries



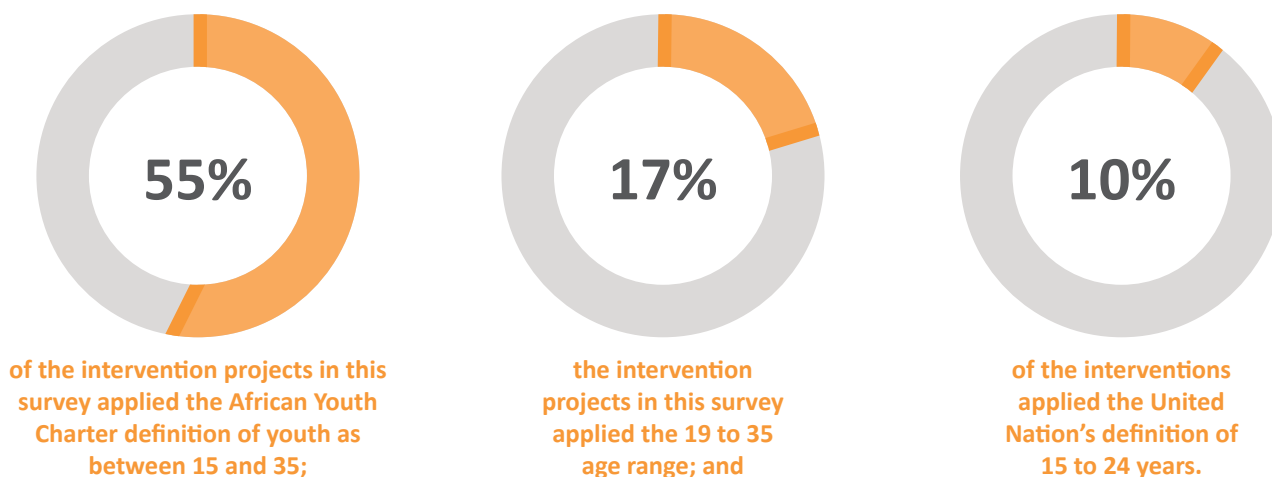
Source: ILO, 2012: 38

The information about research activities sourced from the 2012 ILO publication is very relevant to the overarching question set for this analysis. Its importance lies in providing a numeric description of the kind of project interventions underway at the time. This gives a perspective on what the priorities were

for interventions in the youth employment space at the time. Since this work has not been replicated, we presently need more current information about what the current status of youth interventions is, for example, how priorities have shifted over time.

## 9.1 Age definitions

As the above research confirms, the reality is that in the field of youth employment interventions, different age group definitions are being used. For example, in the above ILO research (ILO, 2012: 34):



The use of more discrete age ranges is useful for analysis because an aggregate over a wide age range can mask differences between sub-ranges. For example, in South Africa, “The expanded unemployment rate for 20 to 24-year-olds is 61%, going down to 42% for 25 to 29-year-olds and 33% for 30 to 34-year-olds” (Graham & Mlatsheni, 2015: 51). The large differences between the different age groups’ experiences of unemployment rates imply that different interventions are probably needed per sub-age group. Similarly, the same age range definitions must be used for research to be able to understand and explain these differences in a way that makes age-targeted interventions possible.

Age and age ranges are constructs, and reference is made to different age groups for various reasons including demonstrating the importance of inclusiveness politically. Thus the wide range

in age as defined in the African Youth Charter (AUC, 2006) can be understood primarily in this way, but it does not necessarily support research and intervention purposes. Finer rather than broader specification of age groups is needed to provide the basis for defensible age-relevant scientific research that supports the appropriateness of an intervention. By convention “these cohorts are generally categorised as 18 to 24-year-olds, 25 to 30-year-olds and 30 to 35-year-olds. In addition, there are also interventions targeting 15 to 18-year-olds who are not in school and are unemployed” (NPC, 2017: 58). Nevertheless, in a heterogeneous African environment, youth exposed to conditions that have curtailed their education and life paths, such as cultural barriers, migration and conflict situations, the above age groups may not apply.

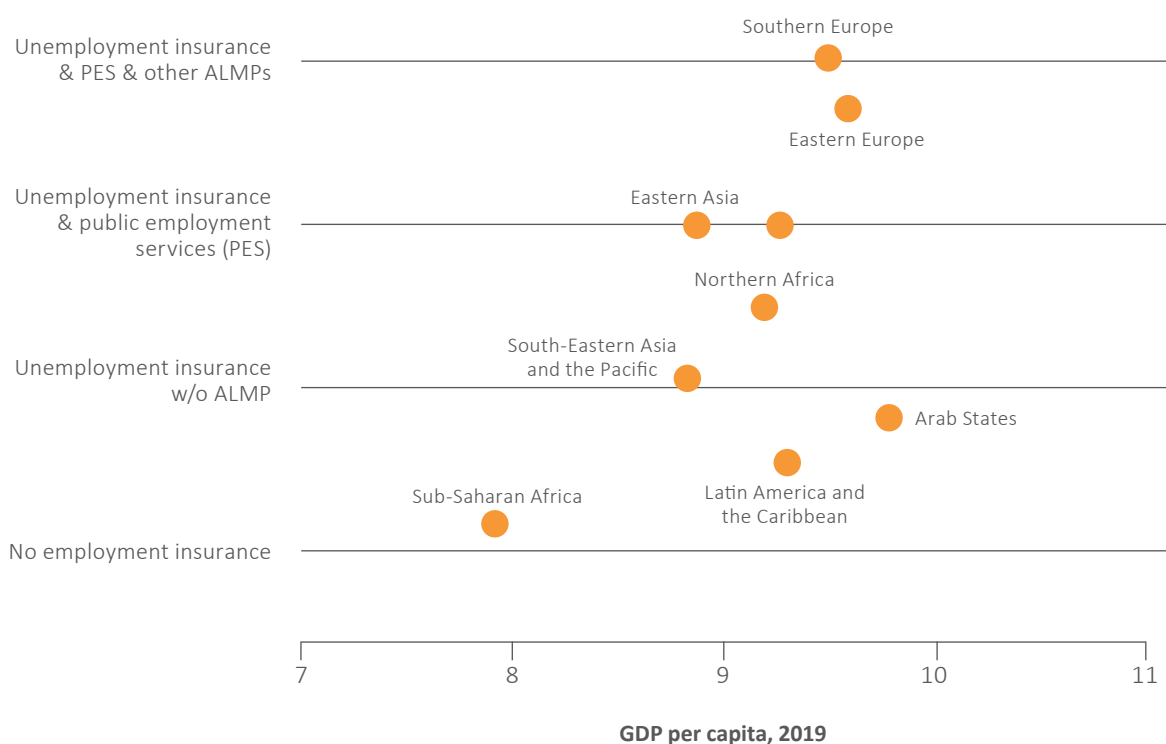
## 10 Active labour market policy in Africa: coverage and investment

In contemplating the options for implementing ALMPs at scale on this continent, it is necessary to have a sense of how African governments have bought into these kinds of policy measures and adopted policies as well as to understand the extent of financial commitment in this area of labour market functioning. This section aims to generate a perspective on how current African country activity in the area of ALMP can provide a platform for readily going to scale.

ALMPs include elements such as unemployment insurance, public employment services and a range of other options

(Pignatti & van Belle, 2018). **Figure 19** below shows that these policies are adopted more readily in regions with higher GDP per capita. Notable here is a difference in adoption between the sub-Saharan and Northern African regions, since countries in the latter region are developing in a slightly different trajectory. This simple figure indicates that there is limited progress in terms of integration of employment insurance and ALMP.

Figure 19: Integration of employment insurance and ALMP by region



Source: International Labour Organisation, 2020b

It is also worthwhile to look at the location of countries that are developing state capacity in favour of social protection on the labour market front. In this respect, sub-Saharan Africa is a highly diverse region, and ALMP programmes are expanding, albeit at a different pace between countries.

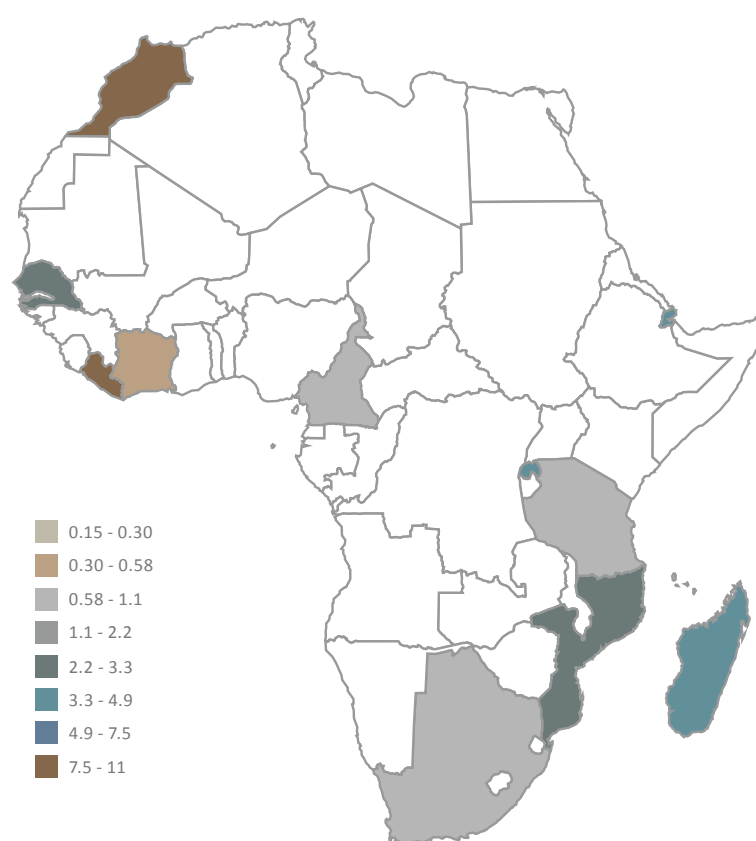
The map of the African continent below shows the distribution of countries that offer coverage of unemployment benefits and ALMPs (**Figure 20**). There are differences between countries in the extent to which their policies cover the population.

A further value of the mapping of current unemployment and ALMP benefits by country is that in the identified countries, capacity would have been built up through policy implementation so far. This capacity could possibly provide a valuable launch point for further ALMP policy rollouts. Starting in these countries would make sense as the countries themselves will, of their own accord, have invested in structures and also in generating awareness and use of these programmes in the population. This will be a strong advantage in the medium term for taking ALMPs forward in these countries.

The other dimension of labour market policies is passive labour market policy (PLMP). PLMPs involve spending on (i) unemployment insurance; (ii) unemployment assistance; and (iii) programmes for early retirement (OECD, 2007). As implied in the two terms, ALMPs require governments and their designated agencies to actively provide a range of services that support people to enter the labour market and to find sustainable employment. PLMP involves financial instruments that are passive and only called into operation when circumstances determine that people need financial support due to retrenchments or changes in full-time employment status.

Ghana has the highest value in the region, at 11.32 (Index Mundi, 2020). This map is useful as it helps to identify in which countries unemployment benefits and ALMPs are being accepted as relevant and worthy of receiving budget support. Accordingly, one may presume that there is a level of political acceptance of these policies and awareness of these benefits that are translated into implementation. In other words, the map identifies governments that are likely to be more inclined to pursue ALMPs, subject to financing constraints and other financial commitments.

**Figure 20: Coverage of unemployment benefits and ALMPs (% of population) - Africa**

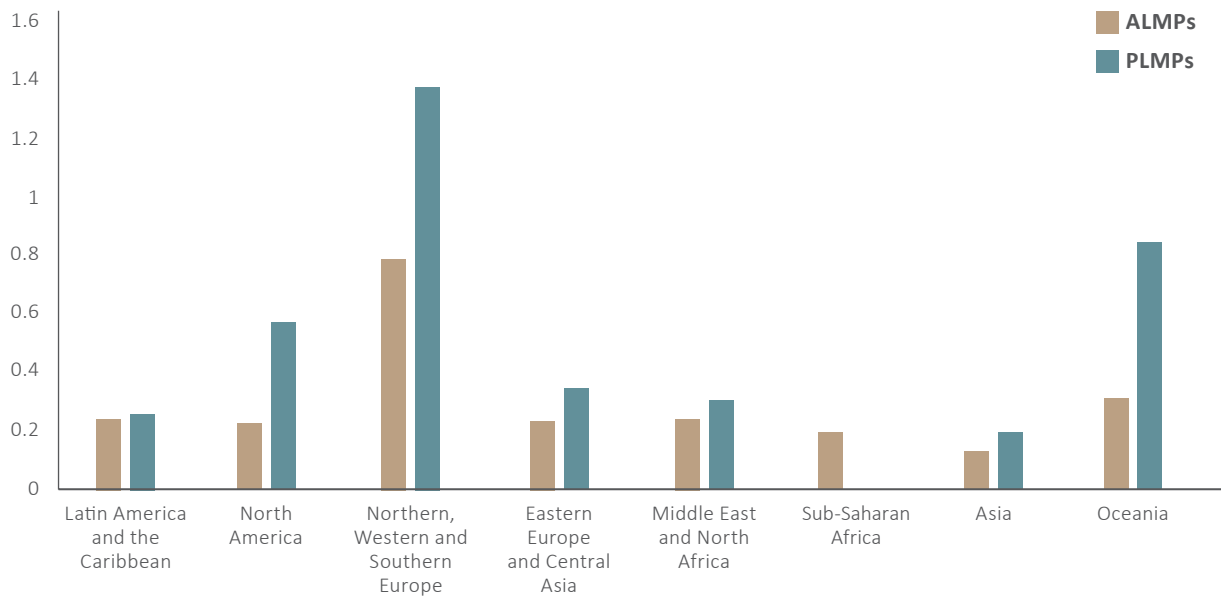


Source: Index Mundi (2020) Data are based on national representative household surveys.

From **Figure 20**, it is apparent that spending on PLMPs is almost invariably higher than spending on ALMPs, except for the African continent (Ref?). This is because PLMPs are designed to maximise coverage of the intended beneficiaries, and this in turn generates higher costs. Comparatively, the spending allocation between ALMP and PLMP programmes varies across regions (Pignatti & Van Belle, 2018: 7). Spending on PLMP programmes is noticeably higher in middle-income or high-income countries such as those in Northern America, in Northern, Western and Southern Europe and in the Pacific region. This share decreases with the next tier of regions, and in Sub-Saharan Africa, country support for PLMPs

is negligible. In fact, ALMP spending in sub-Saharan Africa is substantially higher than spending on PLMP on the continent (Pignatti & Van Belle, 2018). Therefore, the coverage on the map of Africa in **Figure 20** must refer almost exclusively to ALMP spending. sub-Saharan Africa's expenditure on ALMPs as a proportion of GDP increased from 0.16% in 2000 to 2.03% in 2010, a proportion comparable to that of other regions (Pignatti & Van Belle, 2018: 8). Nevertheless, regions with lower gross GDP will have fewer funds to allocate in relation to population numbers. These features of spending will have implications for envisaged scale-up of ALMPs or PLMPs in the future.

Figure 21: Average spending in ALMPs and PLMPs across regions as a % of GDP

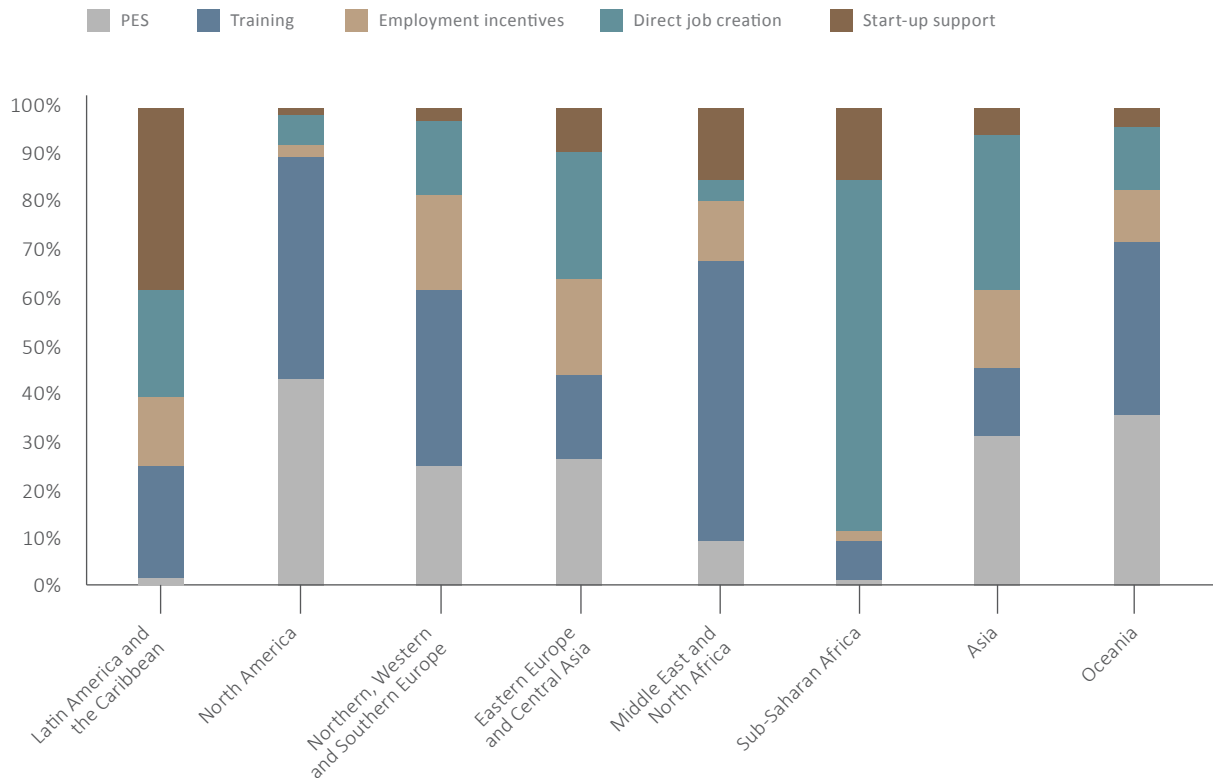


Source: Pignatti & Van Belle, 2018: 8

Information about how regions distribute their spending across types of ALMP programmes provides some insight, albeit at the macro level, into the relative emphasis between interventions. Although each profile is unique in its own way, the sub-Saharan profile stands out as the only profile that is heavily dependent on a single type of ALMP intervention. Direct job creation is allocated about 70% of sub-Saharan government spending on ALMP (Ref?). The definition of this category is as follows: “Direct job creation (public or non-profit) is temporary work and, in some cases, regular jobs in the public sector or in non-profit organisations, offered to unemployed persons” (OECD, 2007). In contrast, employment incentives which subsidise employment in private sector firms are allocated less than 5%.

This could represent an example where the same style of ALMP is implemented on a wide scale because many countries have resorted to the same approach. How direct job creation approaches are carried out could be worth exploring in terms of what impacts are experienced by people in different countries and areas. In this regard, the efficiency, effectiveness and capacity of such programmes which enable people to leverage their experience into improved work situations would be of interest.

Figure 22: Distribution of spending in ALMPs by type of intervention



Source: Pignatti & Van Belle, 2018: 9

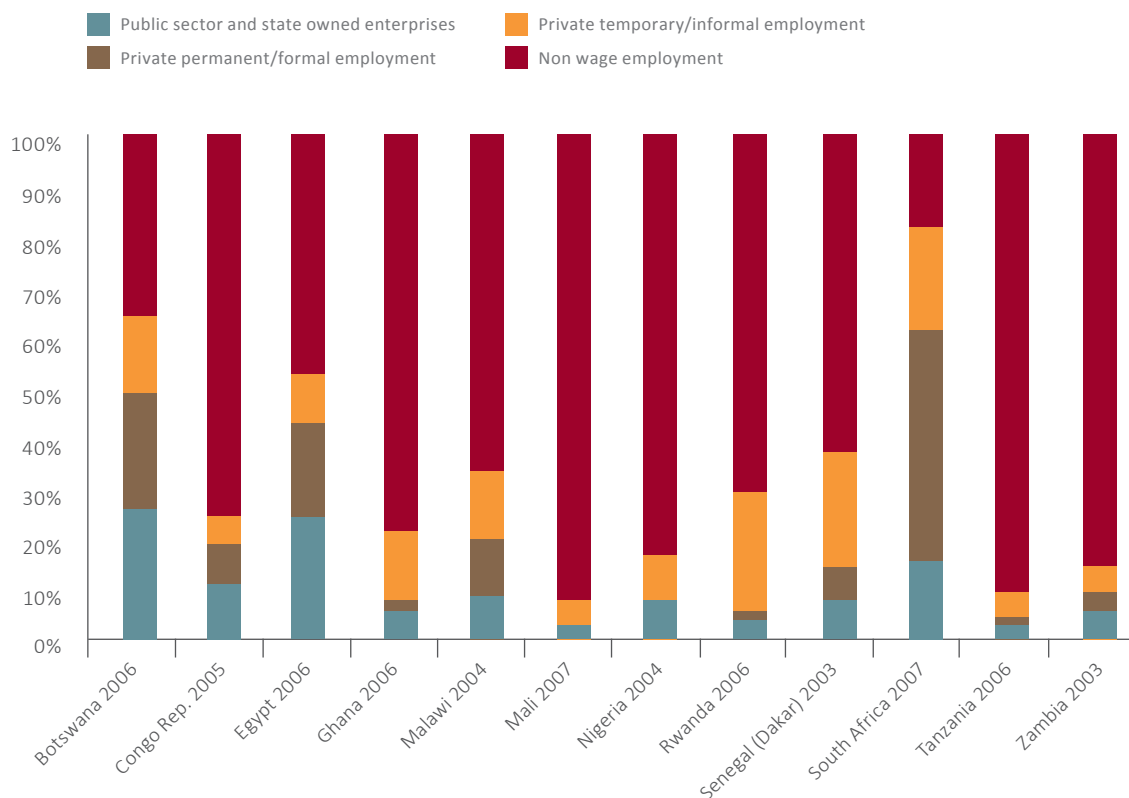
To make sense of this seeming imbalance, it is necessary to establish whether the private sector is large enough and has the absorptive capacity to capture the benefits of an ALMP. Across a sample of countries which reflect different employment scenarios shown in **Figure 22**, data on the distribution of public and private employment and, within that, the proportions of formal and informal employment, are described (Stampini, Leung, Diarra & Pla, 2011, 18).

The figure reveals the following:

- Apart from Botswana, Egypt and South Africa, public sector and state owned enterprises are likely to be less than 10% of the labour force in other countries.

- Private formal employment is substantially higher in South Africa, Botswana and Egypt but is less than 15% across the other selected countries.
- Private informal employment, apart from Rwanda, Senegal, South Africa, Botswana and Malawi is less than 10% of employment in the other selected countries.
- Apart from South Africa, Botswana and Egypt, non-wage employment in other selected countries ranges from 50% to more than 90% of total employment.

Figure 23: Formal and informal employment in selected African countries



Source: Stampini, Leung, Diarra & Pla, 2011; 18)

Contingent on sectoral employment proportions, higher investment of ALMP funds in private formal sector employment would likely have positive benefits, assuming demand is identified in particular economic sectors that have been targeted by growth-oriented policies. A similar case could be made for injecting ALMP into upgrading skills with informal enterprises in the informal sector.

The rationale for allocating more finances to these sectors is strengthened by arguments that direct job creation through temporary government and public works programmes should be seen only as a temporary measure to relieve stress due to specific economic shocks. This is because direct job creation can be applied to retain employment but is not an efficient way of creating more employment. The argument is that ALMPs are “more cost-effective and desirable” because they “redistribute incentives to outsiders on the labour market, whereby their attachment to the labour market is strengthened and their incentive to leave unemployment is supported. These ALMPs are particularly effective during recoveries” (European Commission, 2016: 6). This is why ALMP strategies are referred to as “activating mechanisms” in order to improve

the employability of beneficiaries through incentivising their participation and providing incentives for private employers to retain private sector workers (European Commission, 2016: 6).

Investigating why continental governments seem in general to be allocating very high proportions of expenditure through government and parastatal agencies to programmes that meet public employment relief needs might prove a useful exercise. One contributing factor could be an overreliance on government structures to deliver benefits. A further contributing aspect may be that many governments have not developed sufficient capacity to deliver on alternative ALMP strategies, as these require skills and presence on the ground that would need to be developed.

There are two ways of understanding and operating public works schemes. One is to see these schemes as poverty alleviation programmes, whereas on the other hand, the emphasis could be on seeing them as a form of direct investment through the private sector, with the intention for enterprises to grow and create more jobs (Malo, 2018: 8).

# 11 Reviews of literature on impacts of ALMP interventions

Information on the impact of ALMP interventions, programmes or projects is always important for the purpose of informing design, improving design and implementation and benchmarking performance, impact and return on investment. Evaluating the conceptual framework, design, implementation, outcomes and costs of interventions intended to have beneficial impacts on the performance of the labour market and on access of people to jobs is necessary for accountability and improvement reasons. This expectation becomes more pressing as interventions become larger, as greater vigilance is required to protect the investments and secure the outcomes for people in need. ALMP interventions for youth require the same treatment.

However, published literature on the impacts of ALMP is scarce, especially considering the importance of the interventions and their potential to impact positively on the working lives of many people, and evidence is based on a limited set of studies. Further, as we have observed, ALMP interventions can differ from each other on a wide range of criteria. ALMPs targeting youth can differ in terms of target group and type of intervention, funding, implementation partners, location, scale, location etc.

Consequently, for youth-related ALMP studies undertaken in developing or specifically African economies, the evidence is not necessarily deep enough to offer confidence in evidence-based decision making, though it does provide some indications. A small number of studies published after 2000 will be cited here, while the most powerful study available is a systematic review by Kluwe and colleagues of projects targeting young women and men aged 15 to 35 (Kluwe et al, 2017).<sup>6</sup> The Systematic Review approach is a benchmarked methodology that sets high standards for the selection of studies to be included.

The most relevant result was: “Youth targeted ALMPs in low- and middle-income countries do lead to impacts on both employment and earnings outcomes” and therefore “investing in youth through active labour market measures may pay off” (Kluwe et al., 2017: 22). The study emphasises that the benefits are potentially larger in low-income countries than middle income countries stating, “In lower income countries, with large cohorts of disadvantaged youth, marginal investments in skills and employment opportunities are likely to lead to larger changes in outcomes...Specifically, skills training and entrepreneurship promotion interventions appear to yield positive results on average (Kluwe et al., 2017: 22).

Such positive results are important, particularly where skills training and entrepreneurship interventions are concerned, and for the time being, evidence gaps offer limited support for plans to implement other kinds of ALMP interventions. As a result, “potential benefits of combining supply- and demand-side interventions to support youth in the labour market” (Kluwe et al., 2017: 22) are a valid policy option.

The review is equally valuable for the observations made towards improving the quality of Labour Market Intelligence Partnership (LMIP) studies for youth.

- The review advocates for more studies in the field: “The evidence base is still limited and exhibits high variance, calling for more primary studies on this promising intervention type...More and better evidence is needed on employment services, wage subsidies and public employment programmes for youth, particularly in low- and middle income countries” (Kluwe et al., 2017: 23).
- Only a small number of reports “measured changes in outcomes of interest over a year after the young person’s exposure to the intervention”, and as a result, evidence of “labour market impacts that often materialize only over the long term” (Kluwe et al., 2017: 77) could be missed entirely. This kind of study would be advisable with scaled up projects, for instance.
- The review notes that the most common approach of studies towards assessing impact of projects was on changes in employment or earnings outcomes of project participants.

Finally, Kluwe et al. make two important general observations. The first is to the effect that the methodology and design of an engaging ALMP intervention may be more influential than the content. They argue, “The evidence also calls for careful design of youth employment interventions. The ‘how’ seems to be more important than the ‘what’ and, in this regard, targeting disadvantaged youth may act as key factors of success” (Kluwe et al., 2017: 22).

Second, the authors urge that findings from this review “need to be discussed vis-à-vis the local and national context and should be complemented by a long-term and holistic commitment towards youth development” (Kluwe et al., 2017: 22). The earlier review work of Betcherman et al. (2007) offers further insights that seem relevant to current circumstances. The research referenced the Youth Employment Inventory (YEI) that was created for the World Bank and was based on the documentation from 289 studies of interventions implemented before or during 2007, drawn from 84 countries across regions

<sup>6</sup>Criteria for including studies were being designed for or reflecting completed experimental and quasi-experimental evaluations measuring impacts on eligible labour market outcomes and reporting at least one eligible outcome variable measuring employment (e.g., probability of employment, hours worked, duration in unemployment), earnings (e.g., reported earnings, wages, consumption) or business performance (e.g., profits, sales). (Kluwe et al., 2017: 18)



(Betcherman et al., 2007: 1). Interventions captured in the YEI were implemented to support young people in finding work. These interventions were analysed to identify what worked to improve youth employment outcomes.

The authors reported that across all 289 cases globally, 38% involved training as the main form of intervention to support young people in finding jobs. The second largest area was labelled “comprehensive interventions” (33%), which usually included training as the most important element (Betcherman et al., 2007: 63). These were, of course global aggregate figures, and half of the multiple-service programs were in Organisation for Economic Co-operation and Development (OECD) countries (Betcherman et al., 2007: i, 63) suggesting that this type of programme with layers of inputs may be resource intensive and complex to roll out.

Betcherman et al.’s impact assessment of programmes looked at two indicators: Post-program employment and earnings. These indicators were compared with measures for a non-participant control group, and their results showed that 60% of programmes demonstrated positive effects on the employment or earning of participants. A particular aim was to measure the cost-effectiveness of programmes: “Impacts are only one-half of the story for evidence-based policy-making-- the ultimate economic criterion for resource allocation should be whether social returns exceed costs” (Betcherman et al., 2007: 64-65). Only “about one-third of programs in the inventory realized positive labor market impact for participants while also being cost-effective (Betcherman et al., 2007: 64).

Difficulties with establishing programme impact and cost-effectiveness were traced back to methodology and due diligence at the project level. The authors observed that programme evaluation “has been weak, though more so in developing countries (Betcherman et al., 2007: ii). Non-completion of cost-benefit analysis by owners of interventions was reportedly common (Betcherman et al., 2007: ii, 63).

In situations where interventions are not evaluated for programme impact, there is a risk that the impact of these interventions will be overestimated: “Properly evaluated programs are less likely to lead to positive assessments of impact and effectiveness than judgments based on “non-scientific” methodologies. So this implies that where there is no proper evaluation, program benefits are likely to be overestimated” (Betcherman et al., 2007: ii, 63).

In this context, projects may become entangled in the politics of government service delivery and performance issues. There are further ramifications for the sustainability of interventions without evidence of their performance, where:

“The lack of evaluation evidence in developing countries may lead to budget cuts, hindering programs sustainability” (Betcherman et al., 2007: 68).

Finally, there are risks when successful projects are scaled-up: “Very large-scale programs may have coordination problems between local and central agencies” (Betcherman et al., 2007: ii, 67-68).

Studies point out that too few iterations of an intervention and too few evaluations are carried out before the decision to scale up is made. The value of an iterative approach to upscaling and intervention cannot be underestimated. Evans (2016) cautions,

*More and more impact evaluations are carried out using government systems, at scale. This is a positive move. But even many of these evaluations are one-time events: A program is implemented, you test whether it works, and – best case scenario – the government uses the results to inform decisions to improve, further expand, or cut the program. Rarely do we learn how effective the Intervention 2.0 is.*  
**(Evans, 2016)**

Randomised control trials in education interventions have been practiced over some decades, and the methodology has received greater interest in recent years. However, researchers<sup>7</sup> have also questioned whether randomised control trials at the level of proof of concept or on a small scale should serve as the foundation of implementation on a large scale by governments. High profile exponents of randomised control trials argue that: “The journey from smaller-scale internal validity to larger-scale external validity is a process that involves trying to identify the underlying mechanisms, refining the intervention model based on the understanding of these mechanisms and other practical considerations, and often performing multiple iterations of experimentation” (Banerjee et al., 2017:74).

<sup>7</sup>Cor example, see Betcherman, 2007; Kluge et al., 2017

## 12 Continental level policy responses and intervention frameworks on the challenge of youth employment in Africa

In response to the challenges facing the continent on how to address the needs and aspirations of youth, a number of African policy responses and intervention frameworks, identified below, were produced after 2000 at the continental level by the AU and its structures (ILO, 2012). The series of main documents reveals increasing concern in this period over the state of youth employment. How do these initiatives that focus on youth interventions influence a scaled-up approach to improving the prospects of youth employment on the continent?

- **African Youth Charter**, 2006:<sup>8</sup> African Union Heads of State endorsed the African Youth Charter as a policy to strengthen, reinforce, and consolidate continental and regional partnerships and relations and to prioritise youth development on the African Union's development agenda. This document prioritised a rights-based approach to interventions (AUC, 2006).
- **African Youth Decade**, 2009-2018 Plan of Action, 2011:<sup>9</sup> In declaring this decade long focus, the African Union set out a "road map towards the implementation of the African Youth Charter" (AU, 2011: 2). This commitment was adopted by the Third Conference of Ministers in charge of Youth (COMY III).
- **Accelerating Youth Empowerment for Sustainable Development**, 2011:<sup>10</sup> On this theme, AU Heads of State and Government Summit adopted a declaration on Financing Youth Employment Programmes, which deals with financing youth development and youth empowerment issues, and framed an agenda on the "creation of safe, decent, and competitive employment opportunities" for youth. The African Union Commission (AUC) was requested to develop a "comprehensive youth employment pact with international partners" (ILO, 2012: 13).
- **Draft AU Youth & Women Employment Pact for Africa (YWEP-A)**, 2013:<sup>11</sup> The Labour and Social Affairs Commission of the African Union developed the draft employment pact under the AU theme "Enhancing the Capacity of the Labour Market Institutions in Africa to meet the Current and Future Challenges".
- **Agenda 2063: the Africa We Want**, 2013:<sup>12</sup> Aspiration 6 states: "An Africa Whose Development is people-driven, relying on the potential offered by African People, especially its Women and Youth, and caring for Children" This entails: "(17) Full Gender Equality in All Spheres of Life" and "(18) Engaged and Empowered Youth and Children" (AU, 2015a: 9).
- **Continental Strategy for Technical and Vocational Education and Training (TVET) to Foster youth employment**, 2014:<sup>13</sup> The African Union Commission developed a continental strategy in 2007 to revitalise TVET in Africa. Noting that the "quality of the workforce remain(ed) low and often inadequate" (AU, 2015c: 9), the redefined vision to improve the visibility of TVET was presented to the Assembly in 2014.
- **Harnessing the Demographic Dividend through Investments in Youth**, 2017:<sup>14</sup> The African Union themed 2017 as the year of "Harnessing the Demographic Dividend through Investments in the Youth".
- **African Plan of Action for Youth Empowerment (APAYE)** (2019-2023), 2019:<sup>15</sup> The plan aims to empower young

<sup>8</sup>[https://www.un.org/en/africa/osaa/pdf/au/african\\_youth\\_charter\\_2006.pdf](https://www.un.org/en/africa/osaa/pdf/au/african_youth_charter_2006.pdf)

<sup>9</sup>[https://www.un.org/en/africa/osaa/pdf/au/african\\_youth\\_decade\\_2009-2018.pdf](https://www.un.org/en/africa/osaa/pdf/au/african_youth_decade_2009-2018.pdf)

<sup>10</sup>[http://www.nayd.org/PDF/Concept\\_Note\\_26-01-2011.pdf](http://www.nayd.org/PDF/Concept_Note_26-01-2011.pdf)

<sup>11</sup>[https://au.int/sites/default/files/newsevents/workingdocuments/28065-wd-youth\\_employment\\_pact\\_for\\_africa-english.pdf](https://au.int/sites/default/files/newsevents/workingdocuments/28065-wd-youth_employment_pact_for_africa-english.pdf)

<sup>12</sup>[https://au.int/sites/default/files/documents/33126-doc-11\\_an\\_overview\\_of\\_agenda.pdf](https://au.int/sites/default/files/documents/33126-doc-11_an_overview_of_agenda.pdf)

<sup>13</sup>[https://au.int/sites/default/files/pressreleases/35308-pr-tvet-english\\_-\\_final\\_2.pdf](https://au.int/sites/default/files/pressreleases/35308-pr-tvet-english_-_final_2.pdf)

<sup>14</sup><https://wcaro.unfpa.org/sites/default/files/pub-pdf/AU%202017%20DD%20ROADMAP%20Final%20-%20EN.pdf>

<sup>15</sup>[https://au.int/sites/default/files/documents/38229-doc-apaye\\_final\\_eng\\_ok.pdf](https://au.int/sites/default/files/documents/38229-doc-apaye_final_eng_ok.pdf)

people to make appropriate life choices and contribute to socioeconomic development and an “integrated, prosperous and peaceful Africa” (AU, 2019; 11) Pillar 2 of the APAYE aims to “catalyse action at member state level” (AU, 2019: 12).

- The AUC Youth Division, backed by the African Peer Review Mechanism, will support the 1 Million by 2021 initiative to “create 1 million new opportunities for Young Africans in education, employment, entrepreneurship, and engagement across the continent and in the diaspora” (AU, 2020).

From the texts, the reader may discern how initially, the aim was to mobilise and prioritise youth issues in the Youth Charter through emphasising the rights of youth. Thereafter, the issues of youth populations were seen to be significant enough to dedicate a decade towards youth development. Specific actions were more clearly spelt out in the following policy on accelerating youth empowerment, this time referring specifically to financing youth employment programmes. Thereafter, the 2013 declaration of a joint youth and women employment pact reflected a commitment to both women and youth as marginalised groups. In the following year, the announcement of the Strategy for Technical and Vocational Education and Training (TVET) to Foster Youth Employment further signalled the commitment to contribute to the TVET knowledge and curriculum domain for generating intermediate skills for African industry.

More recently, in 2019, the AUC directed more strongly phrased messages about the urgency of youth employment

to member states. Pillar 2 of the African Plan of Action for Youth Empowerment exhorts members to “catalyse action at member state level” (AU, 2019: 15). The AUC has also activated a Country Acceleration Strategy (CAS) for implementation of “fast tracking processes” (Ademola, 2019). Yet, at present, apart perhaps from ‘soft power’, the AUC does not seem to have the power to do more than facilitate and support member states on youth employment.

This has implications for assessing the likelihood of unified commitments to youth employment scaled to the continental level. The AU, similar to the EU, follows the principle of subsidiarity which prescribes that in a multiple territory governance environment, the central authority should adopt a subsidiary function, limiting it to performing only those tasks or decisions that cannot be performed at a lower (more local) level. It is argued that: “AU member states have not relinquished nearly as much power to AU institutions when compared with the EU.... The introduction of the Pan-African Parliament and the expanding role of the continental level judicial system are strong indications that more powers may be ceded to the AU institutions in the future” (Amao, 2018).

This overview of key policy pronouncements and the current relationship between member states and the AU suggests that what can be achieved at scale at a unified continental level in terms of concrete youth employment interventions is limited to enablement, though some collaboration on labour market policy synergies is evident at the regional level.

## 13 Need to improve active labour market and social policy intervention

Some high-level observations from this review of interventions towards enabling and accelerating youth employment at scale led to the emergence of some guidelines that could be adopted for future practice (AU, 2019: 8; Fox & Thomas, 2016: 16; ILO 2012: 50-55). Designers of interventions need to:

- Design projects that take into account the **diversity of programme needs** across the continent.
- **Coordinate interventions** to avoid duplication of effort and concentration of efforts in some areas while neglecting other areas.
- Encourage much more **substantial participation of the private sector** in the entire process of interventions.
- Improve and make **project and programme evaluation** by the implementing organisations and partners more coherent.
- Consider implementing **fewer short-term programmes** and more long-term programmes to increase sustainability of interventions, budget permitting.
- Prepare for **continuity of support for programmes** by engaging with partners and building in institution building components, with the understanding that the demographic conditions faced by youth projects will be of long duration: this relates to the importance of mainstreaming project interventions.
- Improve the **levels of availability and quality of labour market and demographic data** to enable more reliable and confident planning, shaping of programmes and implementation: the need for information is equally high for youth who need labour market information to support their work and life decisions.
- Design projects to be relevant and specific to local needs and that make sense in the local labour market environment.
- Establish how **to consolidate national employment policies and accountability**, which are often split between multiple government actors with limited co-ordination.
- **Accumulate more reliable evidence** on what really works to limit expenditure that does not deliver impact.
- Bear in mind that **youth employment support needs are layered**: individual programmes that focus on a valid, single target problem should be understood as part of a broader set of needs.
- **Take into account youth aspirations**: slow development of an enterprise sector leaves the majority of youth entering the labour force without employment options, except in household farms and enterprises where earnings and productivity are usually low, resulting in a large gap between the aspirations of youth (and their parents) and the economic opportunities available (Fox & Thomas, 2016: 16).

# 14 Key themes emerging from interviews with respondents on youth, skills, jobs and economic growth

## 14.1 Youth as a category

'Youth' like 'gender' is a category that elicited varied definitions from interview respondents. More than one respondent equated youth and gender as equally important categories. However, gender seems a much more specific and definable category than youth. The former is well accepted and established; the latter not as much. Because youth is a wide category that is not as entrenched in policy as gender, fewer examples of specific youth policies were articulated. For some respondents, youth is related to the NEET category. One respondent argued that there is a need for collaboration between government and institutions to create awareness among youth about available opportunities in TVET, as many youths are still not in training, education or employment. Some respondents voiced contrasting views about the status of youth in different countries. On the one hand, a respondent argued that:

*All countries have national youth policies which are interactive with government programmes.*

On the other, another respondent commented that there is a lack of coherence in how youth policy is articulated and how governments carry out youth policy.

## 14.2 Government

Differences between the perceived capacity and implementation of governments were in evidence. One respondent noted an example of Kenya, describing preferential procurement opportunities aimed at vulnerable groups such as women, youth and people with disabilities. However, other respondents indicated that governments were not creating opportunities for young people. Clearly, differences between governments - whether real or perceived - elicit concern.

In stating that the role of training agencies in skills development is dependent on what each country considers as important in its training and education systems, a respondent acknowledged the reality of international differences in the treatment of youth.

Recommendations to governments to ensure the appropriate focus on youth included:

- Provide incentives to companies to give young people internships or work-based learning, up to and including a recommendation that the full salary of youth is paid. As previously noted, in sub-Saharan Africa, direct government employment accounts for 70% of ALMPs, with subsidies to private sector industry to promote hiring at only 5%.

One respondent noted both the desires of youth and lack of labour market opportunities as drivers of youth migration, observing,

*You find some young people leave their countries in search of greener pastures, while some young people need to leave their communities in search of job opportunities or education and training.*

Another respondent viewed youth through the perspective of the general need for an African government to deepen its commitment to reducing social inequality:

*There are no policies on social safety net not necessarily social welfare. We need policies that allow you to break poverty and inequality, where one is able to move from one level in society to the next until they are in a position where they able to manage on their own without state assistance.  
This includes creating opportunities for people to break generational poverty.*

A linked recommendation was more direct, suggesting the introduction of policies or legislation that would require companies to train a certain number of young people per year.

- Focus on policies which enable and develop entrepreneurship across the continent and on social policies that allow people to improve their lives. Moving from policies to well-planned strategies for youth or to address youth issues was also highlighted as a crucial capacity.
- Provide financial support for youth that will help them to establish employment for themselves. This was a strong recommendation linked to enabling entrepreneurship, and suggests countries must urgently consider finance schemes for start-up capital to support youth who may lack traditionally required assets such as land or financially sound co-signers.
- Create an enabling environment for investments that will open up the markets for youth employment.
- Reduce immigration restrictions on the continent to allow greater mobility of young people for employment or furthering their studies.

With reference to government's work in the youth space, a respondent emphasised that there is a need for greater government accountability, saying that the role of non-governmental actors is to hold government accountable by putting pressure on government to deliver.

In the context of the democratic dividend opportunity, one respondent indicated that government is not being forceful enough:

*Governments must start realising that they can earn profits. They need to realise that development and profit work together .... Government is not only a policy maker but also an investor and an active economic player.*

On the other hand, a respondent warns that the benefits of a youth dividend will not necessarily be fairly distributed, noting that there are many economic policies aimed at economic growth, while few are aimed at wealth distribution. There is an assumption that economic growth will automatically address issues of wealth distribution. This can be problematic, particularly in times of significant productivity increases linked to industrial revolutions which tend to create wealth discrepancies that require rectification through social policies to rectify (Frey, 2019).

### 14.3 Curriculum deliver and qualification systems

Respondents touched on a wide range of modes and methods that are used or promoted as viable and relevant learning methods and approaches for youth to take up and gain skills and knowledge.

Respondents referred to the kinds of programmes that they view as useful to youth skills development, including: incubation programmes; internships and learnerships; accelerator programmes to fast-track young people; work-based learning experiences; shadow programmes; informal skills development (e.g. sharing information on how to open a bank account); and initiatives to provide awareness to young people who are still at school about opportunities in the sector.

In regard to programmes that are oriented to high utility rather than lengthy learning programmes, a respondent referred to the welcome emergence of more agile, shorter programmes, describing a programme implemented by government agencies and development partners in partnership with the European Union in which young people attend short-term skilling programmes to help them create employment opportunities for themselves. These skilling programmes are available in emerging areas linked to sustainability, climate change, water security and sanitation.

Other respondents preferred a more traditional approach in line with the long-term duration of the need for youth education and skills development including building training institutions and developing local centres where people can upskill themselves.

Pressures on traditional programmes in the technical and vocational field include improving relevance and applicability in the work environment. A respondent raised concerns regarding the relevance to job markets of skills acquired, especially in a period of increasing mobility, noting that TVET training providers need to ensure that the amount of training given to students is relevant to the demands of the various job markets, ensuring the mobility of young people in search of jobs or study opportunities. There is an increasing emphasis on the inclusion and development of transversal or cross-cutting skills in TVET qualifications which echoes this concern.<sup>16</sup>

Another respondent referred to knowledge gaps relative to different countries and sectors, arguing, for example, that in agriculture, there is a need for modernisation of the sector, which would in turn bring change to agricultural practices and the ways of teaching agricultural curricula.

Current programmes in intermediate TVET need to be designed in a modular and flexible way so that they can bridge the tension between expectations of local relevance and expectations of international comparability and acceptability. More than one respondent emphasised the importance of ensuring that international qualification standards are met. In the absence of a body to look into the qualifications, accreditation of qualifications becomes an issue. Further, the issues around qualifications become an age-related matter for youth, who are the most likely to want to be mobile. Overarching frameworks such as the African Continental Qualifications Framework (ACQF) can contribute to the comparability of credentials as well as mobility of credential-holders; in fact, the ACQF is a core contributor to skills development initiatives on the continent.<sup>17</sup>

### 14.4 The future of economic sectors relevant to youth

The respondents identified a number of emerging economic sectors to be of possible relevance to African country economies: tradeable services; banking and financial services; tourism and hospitality; and information and communications technology (ICT). While traditional manufacturing sectors were not emphasised, agriculture and fisheries received support, with an emphasis on the opportunities across agricultural value chains. Some increased enthusiasm for agriculture seems to be sparked by the increased use of technologies such as in precision farming, increased digitisation and value addition through the value chain.

In addition to agriculture, the Blue Economy (i.e. marine, aquatic transport, aquatic resources, extraction, and energy production) has emerged as a point of interest in Africa's coastal areas. The Blue Economy differs by region. There is a

<sup>16</sup>See UNESCO-UNEVOC. 2020. *Trends in New Qualifications and Competencies for TVET: Perspectives of the European UNEVOC Network*.  
<sup>17</sup>See: [https://africa-eu-partnership.org/sites/default/files/documents/acqf\\_infographic\\_en.pdf](https://africa-eu-partnership.org/sites/default/files/documents/acqf_infographic_en.pdf)

need for targeted assessment by government, private sector and non-governmental actors in identifying areas of capability and growth potential. Currently, there are developments in fisheries and agriculture involving youth and other vulnerable groups incorporating both the commercial sector and small-scale artisan sector. While most people currently involved in the small-scale artisan sector use this work to diversify their livelihoods or for home consumption, there are opportunities for small-scale farmers to be supported and benefit from the commercial sector.

Focus needs to be given to local producers to encourage them to register as small, micro and medium-sized enterprises (SMMEs). For example, while more youth are involved in the sector through traditional or artisan fishing, registering in the sector is not attractive as fish stocks are decreasing.

A positive impetus has been provided by the Eco Mark programme<sup>18</sup> that supports producers, including African producers, to access local and international markets for sustainably-produced goods and services. The African Eco Mark grades are important for smaller producers, as having certification allows their produce to sell at a higher price locally and internationally.

## 14.5 Industry participation

Respondents criticised the lack of business involvement in youth development, citing a lack of commitment to creating opportunities for young people and a lack of policies regulating the inclusion of youth in companies. Participants felt that companies needed to be held accountable for the inclusion of youth in work opportunities:

*There is a lack of commitment across industries to create opportunities for young people. There is no concerted effort to drive inclusion.*

*Another influencing factor is the status quo; no one is holding companies accountable. Not even government or businesses are challenging the status quo.*

*In the continent there are policies that regulate how many women should be represented but there is no policy or stipulation around young people and this is a big gap that government needs to address.*

*There must be a commitment by leadership in companies to hire young people and commitment from government to hold private sector accountable.*

One respondent noted that the private sector does conduct training but that it is simply too small in scale to make a dent in youth need:

*There are a lot of corporate programmes of this nature but they are tiny compared to the scale of the problems in the sector.*

Another perspective related to the role of the private sector in identifying skills needs for training providers:

*The role of the private sector is to provide information on what curriculum should be covered by training institutions. This is to help address issues of skills mismatch.*

There were differences of opinion as to whether small or large businesses were employing more young people. One respondent noted the exclusion of smaller businesses, advising that big businesses have a responsibility to open doors for small businesses.

From the perspective of some respondents, there has been an improvement in private sector approaches, with businesses shifting from a profit only to a profit-with-purpose approach. Within this environment, there is greater openness to include youth.

However, it was also strongly emphasised that the role of private companies and industry is not to create jobs but try to make a profit for their shareholders. Businesses do not receive funding for non-core activities and will, in general, only invest as much into skills as is necessary to produce the goods and provide the services they are trying to sell. If government had mechanisms to more swiftly and accurately identify the needs of the private sector and respond with appropriate training curricula and matching skilled youth to opportunities, much would be achieved.

Mention was made also about the informal sector and youth employment, but respondents argued that informal sector firms need inputs such as enhanced access to credit, financing and skills development, access to the market and access to opportunities before they can take on youth employment.

## 14.6 Information and communications technology

Respondents highlighted the shortages in access to devices for young people as well as challenges such as internet connectivity and electricity supply. These were cited as fundamental structural issues that are affecting young people by preventing them from participating effectively in the economy.

<sup>18</sup>See: Ecomark Africa (EMA): <https://www.oneplanetnetwork.org/initiative/ecomark-africa-ema>

Some respondents believed that access should start at school:

*To make this practical it requires each child to have access to an iPad or to a computer system at school that is connected to the internet and has electricity.*

One respondent cited Rwanda as a state which she believed is achieving high levels of access:

*Rwanda, they are supplying schools with technology, and they provide internet access at schools.*

Youth who are not in schools or enterprises that have good access to ICT will be disadvantaged according to a respondent who noted,

*As economies grow and there is more digitisation, organisations that are not highly digitised will remain behind.*



## 14.7 COVID 19

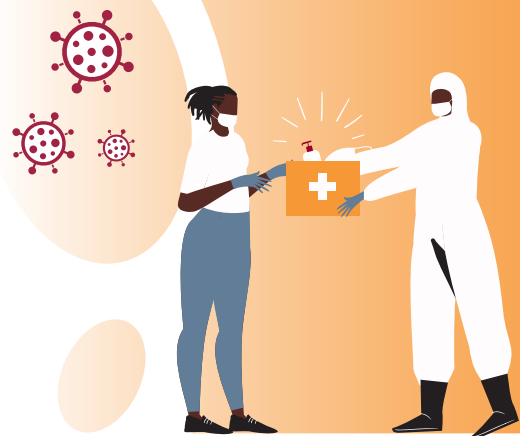
Respondents remarked how the COVID-19 pandemic has emphasised the links between the economic and social systems:

*[What] we have learned from COVID-19 is that business and society are inextricably linked, a healthy economy is a healthy society and vice versa. In the past businesses did not care about society, they only focused on profit-making but now there is a shift.*

Concern was expressed about youth and their chances of employment amid job losses, when governments have had to implement programmes to keep businesses alive:

*Some countries have injected resources and capital to small and medium enterprise programmes or start-ups that have been adversely affected. There are also tax rebates programmes in some countries.*

The pandemic is seen as having presented an opportunity for industry to produce products locally that initially had to be imported such as medical supplies and COVID-19 Test kits. The period has also seen an upsurge in youth in the digital space related to the online services, software and application development.





## 15 Economic growth policy towards employment

In this report, we have suggested that there are three elements which must be addressed in order to enable African youth at scale to enter the world of productive and remunerative work: A social policy and PLMP safety net; interventions through ALMPs that span demand, supply and alignment challenges in the labour market; and overarching economic policy, which is the fundamental driver of demand for skills within an economy. In this section of the paper, we will first acknowledge the centrality of economic policy and then focus on how certain kinds of policy at the continental and national levels can enable economic developments that would improve the prospects for economic growth and employment of youth.

What is required in order to address Africa's youth unemployment crisis are national economic development strategies that stimulate and incentivise job creation and thereby demand in the labour market that can accommodate young people. In this way, we view economic policy as a primary driver of accelerating youth job creation and youth employment at scale. This is a contested area of debate at the political, economic and labour market levels. It must be noted that each African country will have its own national economic and social development plans relevant to current economic situations alongside continent- and region-wide economic governance structures that are simultaneously interlinked with global economic and trade value chains: all are currently impacted by the COVID-19 pandemic.

At the level of economic policy, a central challenge is to direct economic growth, employment and social development in a desired direction. Critical to this aim is the ability of government to find the right balance in emphasis across different economic sectors. We recognise that framing economic policy is really far broader than this policy challenge, noting, however, that the issue of jobs and employment for youth is strongly influenced by how sectoral growth policy is configured. This policy is important at the national level since it directly impacts on the sectoral and occupational shape of labour market demand.

The AUC/OECD identifies how the historical structure of African economies impacts on current growth, wealth sharing and labour development, noting that "what countries produce and trade determines overall development outcomes and shapes the capacity of economic systems to generate and redistribute wealth" (AU/OECD, 2019: 20). Africa is challenged by high investment in sectors such as mining which generate little employment and the fact that unprocessed goods still account for high proportions of African exports (48.7%).

A priority starting point would be thus to invest in sectors with high potential job-multiplier effects to improve inclusive growth. Economic sectors that could be of possible relevance to African economies include: tradeable services; banking and financial services; tourism and hospitality; and the broad area of ICT including mobile services, software as a service, customer relations management and others.

Also strongly supported are agriculture and agro-industries, especially since these – apart from urban agriculture – can offer opportunities for rural youth to find work. This will depend on industries in African countries finding points of entry into international product and service value chains as well as to participating in establishing value chain linkages within the national economy in the agriculture field.

There are strong arguments to pursue the growth of extractive industries, not so much for job creation but for generating revenues: "High growth in the low employment sectors of mining and extractive industries could serve as resource generating avenues to promote investment in education and skill training, along with infrastructure to facilitate growth in high labour absorption sectors" (Baah-Boateng, 2016: 413). Economic policy should not neglect issues of workforce productivity, as Fox and Thomas argue: "In particular, strategies should focus more on how to raise productivity and earnings in the sector where most of the labour force works, instead of just concentrating on the urban wage employment sector" (Fox & Thomas, 2016: 16). According to the AUC/OECD, productivity in Africa is severely constrained, as low as 12% of an international benchmark (AUC/OECD, 2019: 20).

To add to national strategies for labour-absorbing economic development, there are also initiatives of the AU and partners to grow jobs on the continent. Examples of these are presented in **Figure 24**. These are highly important initiatives with the potential to catalyse additional job demands regionally in the fields of mining, infrastructure development and agriculture.

Figure 24: Ten ongoing continental initiatives to address Africa's industrial growth

Initiative	Timeframe	Institution	Description
Agenda 2063. Aspiration 1: "A Prosperous Africa Based on Inclusive Growth and Sustainable Development" <sup>19</sup>	2013 - 2063	African Union Commission (AUC)	States: "Africa shall be a prosperous continent, with the means and resources to drive its own development, with sustainable and long-term stewardship of its resources" (AUC, 2015b: 2). Focuses on high standards of living and quality of life; well-educated and skilled citizens (with emphasis on science, technology and innovation as well as inclusion); provision of affordable infrastructure and basic necessities, including financing; economic transformation for shared growth, decent jobs and economic opportunities for all; modern agriculture which contributes to national prosperity and food security; and protecting natural resources and communities, including from climate change.
Action Plan for the Accelerated Industrial Development of Africa (AIDA) <sup>20</sup>	2008 – ongoing	AUC	The plan was endorsed in January 2008. Subsequently, a strategy was developed for the implementation of the Plan of Action. The plan and strategy focus on the integrating industrialisation into national strategies; developing policies to maximise the use of local productive capacities, value-add and local processing, and small-scale and rural industries (including the informal sector and capital goods industries); improving investment and mining codes to support local processing; allocating earnings from commodity price surges to economic diversification and industrial development; social responsibility; establishing joint industrial enterprises in Africa and greater market access for African products; and strengthening capital and financial markets and business finance, with an emphasis on small-scale and rural industries (AU, n.d.a).
African Continental Free Trade Area (AfCFTA) <sup>21</sup>	2019 – ongoing	AUC	The goal of AfCFTA is to create a continent-wide market for goods and services, and promote the movement of capital and people between member states of the African Union. The AfCFTA seeks to bolster intra-continental trade by easing access to the expanding consumer base in Africa for Africa's productive firms through measures such as reductions of tariffs and simplified trade regimes. The African Trade Policy Centre of the ECA has estimated that the agreement will boost intra-African trade by 52% by 2022 (ECA, 2018: 1). The initiative is being supported in various ways, such as banks providing financing facilities to ease revenue loss from tariff adjustments and the development of an Africa-wide digital payment system to reduce transaction costs Hammond, 2019; Hartzenberg, n.d.).
The United Nations Third Industrial Development Decade for Africa (IDDA III) <sup>22</sup>	2016 – 2025	United Nations Industrial Development Organization (UNIDO)	The IDDA III seeks to support inclusive and sustainable industrial development in Africa through "the transformation of African countries into locations of competitive industrial production" (UNIDO, n.d.). Key focus areas are infrastructure, innovation and technology transfer, industrial financing, industrial knowledge and skills, public and private sector institutional support (including regulation) and encouraging productive industrial investment ventures in Africa.
Programme for Infrastructure Development in Africa (PIDA) <sup>23</sup>	2012 - 2040	Collaboration	Involving the AUC, NEPAD, AfDB the ECA, PIDA "is a strategic continental initiative which has the buy-in of all African countries, for mobilizing resources to transform Africa through modern infrastructure". It works across four main infrastructure sectors of "transboundary water, energy, transport, and ICT" (AU, 2016: 1).
The Science, Technology and Innovation Strategy for Africa 2024 (STISA) <sup>24</sup>	2014 – 2024	AUC	This is the first of ten-year phasing strategies responding to the demand for science, technology and innovation (STI) in critical sectors (agriculture, energy, health, mining, water, etc.). Implementation or integration is expected at national, regional and continental levels. The strategy focuses on "building and/or upgrading research infrastructures; enhancing professional and technical competencies; promoting entrepreneurship and innovation; and providing an enabling environment for STI development in the African continent" (AUC, n.d.b; 10).

<sup>19</sup><https://www.un.org/en/africa/osaa/pdf/au/agenda2063.pdf> See: [https://africa-eu-partnership.org/sites/default/files/documents/ocaf\\_infographic\\_en.pdf](https://africa-eu-partnership.org/sites/default/files/documents/ocaf_infographic_en.pdf)

<sup>20</sup>[https://www.au.int/web/sites/default/files/documents/30985-doc-plan\\_of\\_action\\_of\\_aida.pdf](https://www.au.int/web/sites/default/files/documents/30985-doc-plan_of_action_of_aida.pdf)

<sup>21</sup><https://www.un.org/ldcportal/afcfta-what-is-expected-of-ldcs-in-terms-of-trade-liberalisation-by-trudi-hartzenberg/> and <https://www.africanliberty.org/2019/03/06/benefits-of-the-afcfta-africas-gate-way-agreement-to-economic-prosperity/>

<sup>22</sup>[https://www.unido.org/sites/default/files/2017-11/IDDA\\_III\\_Resolution.pdf](https://www.unido.org/sites/default/files/2017-11/IDDA_III_Resolution.pdf)

<sup>23</sup><https://www.au-pida.org/>

<sup>24</sup><https://au.int/ar/node/38756>

Initiative	Timeframe	Institution	Description
The African Agribusiness and Agro-industries Development Initiative (3ADI) <sup>25</sup>	2010 – 2020	Collaboration	Involving the United Nations Food and Agriculture Organisation (FAO), the International Fund for Agricultural Development (IFAD) and UNIDO. “The goal of 3ADI is to have an agriculture sector in Africa which by the year 2020 is made up of highly productive and profitable agriculture value chains that effectively link small and medium size agricultural producers to markets, supply higher-value products, contribute to increasing farmers’ incomes, utilize natural resources in a sustainable manner and generate increased and high quality employment” (UNIDO, 2010: 1). This goal is supported by a strategy designed to increase public and private sector investment in agriculture in Africa through mechanisms such as loans, technical assistance funding, commercial investment funds and matching grants.
Comprehensive Africa Agriculture Development Programme (CAADP) <sup>26</sup>	2003 – ongoing	Collaboration	Involving the AUC and New Economic Partnership for Africa’s Development (NEPAD). CAADP “is Africa’s policy framework for agricultural transformation, wealth creation, food security and nutrition, economic growth and prosperity for all.” The programme centres agriculture as a key to growth and reduced poverty and provides goals and strategies for the development of agricultural sectors. CAADP includes targets such as committing 10% of public expenditure to the agricultural sector, strategies for critical review and evidence-based planning processes Office of the Special Adviser on Africa, n.d.).
The Africa Mining Vision (AMV) <sup>27</sup>	2009 – ongoing	AUC	The AMV is “Africa’s own response to tackling the paradox of great mineral wealth existing side by side with pervasive poverty”. It seeks to integrate mining into development priorities of the continent at local, national and regional levels and aims to ensure benefits of mining operations extend to immediate communities, and that operations protect the environment and contribute to African production chains (supporting manufacturing and knowledge production).
The African Productive Capacity Initiative (APCI) <sup>28</sup>	2003 – ongoing	UNIDO	The APCI is a policy framework which seeks to create and enhance an African vision for productive capacity based on the value chain approach and highlight sectoral priorities where Africa has a competitive advantage. Expectations for the APCI include enhancing collaborative efforts among African entrepreneurs, prioritising public-private partnerships and supporting the development of productive capacity, or the maximum possible output of an economy (UNIDO, n.d.).

## 15.1 Key economic relationships

This report now moves to briefly identify certain key sets of economic relationships that can, directly and indirectly, enhance the probability of increased youth employment on the continent

### 15.1.1 Encouraging value chain thinking and relationships

There is a case for “more proactive policies, coordinated at the continental, regional, national and local levels” (AU/OCED, 2019: 5) in order to enable African companies to move up the value chain.

One conception is to establish or develop new production chains within or between individual countries or regions of Africa. However, African firms may seek to not produce everything independently but to also look to become more integral parts of international value chains at stages beyond the provision of raw materials. In order to do so, African firms must be competitive in terms of cost, quality and accessibility.

#### Linking young people with skills into the qualification system using recognition of prior learning with skills input

There is a strong need to develop methods according to which marginalised youth can be exposed to opportunities leading to

viable employment options. A repeatable or replicable process such as the recognition of prior learning (RPL) in the context of a national qualifications framework would assist towards launching people on an occupational pathway, where the pathway is known to offer a reasonable chance of successfully obtaining a job, subject to labour market circumstances.

### 15.1.2 Regional trade and commerce linkages through the African Continental Free Trade Area

The AfCFTA will ease access to the expanding consumer base in Africa for Africa’s productive firms. However, it is not enough to merely eliminate tariffs, coordinate customs procedures in each region and improve the business environment. SMMEs must overcome internal barriers to take advantage of the opportunities. Support strategies can include clustering, business development support, access to finance and provision of quality assurance including markers or labels. However, to the extent that the AfCFTA enhances economic interaction and growth, it also improves prospects of growth and labour demand.

<sup>25</sup>[https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/a3ADI\\_exec\\_summary\\_Eng.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/a3ADI_exec_summary_Eng.pdf)

<sup>26</sup><https://www.un.org/en/africa/osaa/peace/caadp.shtml>

<sup>27</sup><http://www.africaminingvision.org/about.html>

<sup>28</sup><https://www.yumpu.com/en/document/view/27575398/africa-productive-capacity-initiative-from-vision-to-action-unido> and <https://www.unido.org/news/20-november-africa-industrialization-day>

## References

Ademola, A. (2019). APRM, others to develop Country Acceleration Strategy for implementation of African Plan of Action for Youth Empowerment in Africa.

<https://adeekoademola.com/2019/09/25/aprm-others-to-develop-country-acceleration-strategy-for-implementation-of-african-plan-of-action-for-youth-empowerment-in-africa/>

African Commission on Human and Peoples' Rights (1981). African (Banjul) Charter on Human and People's Rights.

<https://www.achpr.org/legalinstruments/detail?id=49>

AfDB. (2016a). African Development Report 2015: Growth, Poverty and Inequality Nexus: Overcoming Barriers to Sustainable Development.

<https://www.afdb.org/en/documents/document/african-development-report-2015-growth-poverty-and-inequality-nexus-overcoming-barriers-to-sustainable-development-89715>

AfDB. (2016b). Jobs for Youth in Africa: Catalyzing youth opportunity across Africa

[https://www.afdb.org/fileadmin/uploads/afdb/Images/high\\_5s/Job\\_youth\\_Africa\\_Job\\_youth\\_Africa.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Images/high_5s/Job_youth_Africa_Job_youth_Africa.pdf)

AMV. (n.d.). Summary.

<http://www.africaminingvision.org/index.htm>

AU. (2011). African Youth Decade 2009-2018 Plan of Action: Accelerating Youth Empowerment for Sustainable Development.

[https://www.un.org/en/africa/osaa/pdf/au/african\\_youth\\_decade\\_2009-2018.pdf](https://www.un.org/en/africa/osaa/pdf/au/african_youth_decade_2009-2018.pdf)

AU. (2015a). Agenda 2063: Overview of Agenda 20163.

[https://au.int/sites/default/files/documents/33126-doc-11\\_an\\_overview\\_of\\_agenda.pdf](https://au.int/sites/default/files/documents/33126-doc-11_an_overview_of_agenda.pdf)

AU. (2015b). Agenda 2063: The Africa We Want. Popular document.

<https://www.un.org/en/africa/osaa/pdf/au/agenda2063.pdf>

AU. (2015c). Continental Strategy for Technical and Vocational Education and Training (TVET) to Foster Employment.

[https://au.int/sites/default/files/pressreleases/35308-pr-tvet-english\\_-\\_final\\_2.pdf](https://au.int/sites/default/files/pressreleases/35308-pr-tvet-english_-_final_2.pdf)

AU. (2016). PIDA a strategic continental initiative for Africa's Integration. Press release 155/2016.

[https://au.int/sites/default/files/pressreleases/29575-pr-pr\\_155- pida\\_a\\_strategic\\_continental\\_initiative\\_for\\_africas\\_integration.pdf](https://au.int/sites/default/files/pressreleases/29575-pr-pr_155- pida_a_strategic_continental_initiative_for_africas_integration.pdf)

AU. (2019). African Plan of Action for Youth Empowerment (2019-2023).

The Africa We Want: Building and Unleashing the Potential of Young People

[https://au.int/sites/default/files/documents/38229-doc-apaye\\_final\\_eng\\_ok.pdf](https://au.int/sites/default/files/documents/38229-doc-apaye_final_eng_ok.pdf)

AU. (2020). African Youth Month 2020. About the One Million By 2021 initiative.

<https://1millionby2021.au.int/#:~:text=About%20the%20One%20Million%20By%202021%20initiative&text=It%20aims%20to%20create%201,continent%20and%20in%20the%20diaspora.>

AU Labour and Social Affairs Commission African Union. (2013). Draft African Union Youth & Women Employment Pact for Africa (YWEP-A), Enhancing the Capacity of the Labour Market Institutions in Africa to meet the Current and Future Challenges. [https://au.int/sites/default/files/newsevents/workingdocuments/28065-wd-youth\\_employment\\_pact\\_for\\_africa-english.pdf](https://au.int/sites/default/files/newsevents/workingdocuments/28065-wd-youth_employment_pact_for_africa-english.pdf)

AUC. (n.da). Action Plan for the Accelerated Industrial Development of Africa. [https://www.au.int/web/sites/default/files/documents/30985-doc-plan\\_of\\_action\\_of\\_aida.pdf](https://www.au.int/web/sites/default/files/documents/30985-doc-plan_of_action_of_aida.pdf)

AUC. (n.d.b). Science, Technology and Innovation Strategy for Africa 2024. [https://au.int/sites/default/files/documents/38756-doc-stisa\\_science\\_tech\\_innovation\\_strategy.pdf](https://au.int/sites/default/files/documents/38756-doc-stisa_science_tech_innovation_strategy.pdf)

AUC. (2006). African Youth Charter. [https://www.un.org/en/africa/osaa/pdf/au/african\\_youth\\_charter\\_2006.pdf](https://www.un.org/en/africa/osaa/pdf/au/african_youth_charter_2006.pdf)

AUC/OECD (2019). Africa's Development Dynamics 2019: Achieving Productive Transformation, AUC, Addis Ababa/OECD Publishing, Paris, <https://doi.org/10.1787/c1cd7de0-en>

Amao, F. (2018). Could African Union law shape a new legal order for the continent? The Conversation, July 9, 2018. <https://theconversation.com/could-african-union-law-shape-a-new-legal-order-for-the-continent-99245#:~:text=Similarly%2C%20the%20AU%20Constitutive%20Act,de%2Demphasising%20nation%20state%20sovereignty>

Baah-Boateng, W. (2016). The youth unemployment challenge in Africa: What are the drivers? The Economic and Labour Relations Review, 27(4): 413-431 <https://doi.org/10.1177/1035304616645030>

Banerjee, A., Banerji, R., Berry, J., Duflo, E., Kannan, H., Mukerji, S., Shotland, M., & Walton, M. (2017). From proof of concept to scalable policies: Challenges and solutions, with an application. Journal of Economic Perspectives, 31(4): 73–102 <https://doi.org/10.1257/jep.31.4.73> doi=10.1257/jep.31.4.73

Betcherman, G. & Khan, T. (2015). Youth Employment in Sub-Saharan Africa: Taking Stock of the Evidence and Knowledge Gaps, Ottawa: International Development Research Centre. <https://www.idrc.ca/en/research-in-action/youth-employment-sub-saharan-africa-taking-stock-evidence-and-knowledge-gaps>

Betcherman, G., Godfrey, M., Puerto, S., Rother, F., & Stavreska, A. (2007). A Review of Interventions to Support Young Workers: Findings of the Youth Employment Inventory. Social Protection Discussion Paper Series, No. 715. Washington, DC, World Bank. <http://documents1.worldbank.org/curated/en/498381468779418249/pdf/414120Youth0workers0SP0071501PUBLIC1.pdf>

Bloom, D. E., Kuhn, M., & Prettnner, K. (2016). Africa's Prospects for Enjoying a Demographic Dividend. VOX, CEPR Policy Portal <https://voxeu.org/article/africas-prospects-enjoying-demographic-dividend>

# References

ECA. (2016). The Demographic Profile of African Countries March 2016.

[https://www.uneca.org/sites/default/files/PublicationFiles/demographic\\_profile\\_rev\\_april\\_25.pdf](https://www.uneca.org/sites/default/files/PublicationFiles/demographic_profile_rev_april_25.pdf)

ECA. (2018). African Continental Free Trade Area Questions & Answers.

[https://au.int/sites/default/files/documents/36085-doc-qa\\_cfta\\_en\\_rev15march.pdf](https://au.int/sites/default/files/documents/36085-doc-qa_cfta_en_rev15march.pdf)

European Commission. (2016). European Semester Thematic Factsheet: Active Labour Market Policies

[https://ec.europa.eu/info/sites/info/files/european-semester\\_thematic-factsheet\\_active-labour-market-policies\\_en.pdf](https://ec.europa.eu/info/sites/info/files/european-semester_thematic-factsheet_active-labour-market-policies_en.pdf)

Evans, D. (2016). How do you scale up an effective education intervention? Iteratively, that's how. World Bank.

<https://blogs.worldbank.org/impac evaluations/how-do-you-scale-effective-education-intervention-iteratively-s-how>

Filmer, D. & Fox, L. (2014). Youth Employment in Sub-Saharan Africa. Africa Development Series. Washington, DC: World Bank.

<https://openknowledge.worldbank.org/handle/10986/16608>

Fox, L. & Thomas, A. (2016). Africa's got work to do: A diagnostic of youth employment challenges in Sub-Saharan Africa. *Journal of African Economies*, 25 (Suppl 1): i16–i36.

<https://doi.org/10.1093/jae/ejv026>

Fox, L. & Sohnesen, T. (2016). Household Enterprises and Poverty Reduction in Sub-Saharan Africa. *Development Policy Review* 34(2):197-22

[Doi:10.1111/dpr.12152](https://doi.org/10.1111/dpr.12152)

Fox, L. & Upaasna, P. (2017). The Evidence Is In: How Should Youth Employment Programs in Low-income Countries be Designed? Working Paper, Office of the Chief Economist. Washington, DC: US Agency for International Development.

[http://conference.iza.org/conference\\_files/GLMLICNetwork\\_2017/fox\\_14959.pdf](http://conference.iza.org/conference_files/GLMLICNetwork_2017/fox_14959.pdf)

Fox, L., Mader, P., Sumberg, J., Flynn, J. & Oosterom, M. (2020). Africa's 'Youth Employment' Crisis is Actually a 'Missing Jobs' Crisis. Brookings Institution.

<https://www.brookings.edu/research/africas-youth-employment-crisis-is-actually-a-missing-jobs-crisis/>

Frey, C. (2019). *The Technology Trap: Capital, Labor and Power in the Age of Automation*. Princeton, Oxford: Princeton University Press.

Graham, T.L. & Mlatsheni, C. (2015). Youth Unemployment in South Africa: Understanding the Challenges and Working on Solutions. In De Lannoy A, Swartz S, Lake L & Smith C (eds) *South African Child Gauge 2015*. Cape Town, Children's Institute, UCT. 51-59.

[http://www.ci.uct.ac.za/sites/default/files/image\\_tool/images/367/Child\\_Gauge/South\\_African\\_Child\\_Gauge\\_2015/Child\\_Gauge\\_2015-Unemployment.pdf](http://www.ci.uct.ac.za/sites/default/files/image_tool/images/367/Child_Gauge/South_African_Child_Gauge_2015/Child_Gauge_2015-Unemployment.pdf)

Hammond, A (2019). Benefits of the AfCFTA—Africa's Gateway Agreement to Economic Prosperity. *African Liberty*.

<https://www.africanliberty.org/2019/03/06/benefits-of-the-afcfta-africas-gateway-agreement-to-economic-prosperity/>

Hartzenberg, T. (n.d.) The African Continental Free Trade Area Agreement – what is expected of LDCs in terms of trade liberalisation? UN LDC Portal.

<https://www.un.org/ldcportal/afcfta-what-is-expected-of-ldcs-in-terms-of-trade-liberalisation-by-trudi-hartzenberg/>

Health Policy Project. (n.d.a) Demographic Dividend.

<http://www.healthpolicyproject.com/index.cfm?id=topics-DemographicDividend>

Health Policy Project. (n.d.b.) Evidence for the Demographic Dividend; “Asian Tigers”.

<http://www.healthpolicyproject.com/index.cfm?ID=DemDivWebApp>

Health Policy Project. (2011). The Demographic Dividend: An Opportunity for the Next Generation.

<http://www.healthpolicyproject.com/index.cfm?ID=DemDivWebApp>

ILO. (n.d.a). Employment by Status in Employment (pdf document)

[https://www.ilo.org/ilostat-files/Documents/description\\_STE\\_EN.pdf](https://www.ilo.org/ilostat-files/Documents/description_STE_EN.pdf)

ILO. (n.d.b). Youth Unemployment in Africa (Web page).

<https://www.ilo.org/africa/areas-of-work/youth-employment/lang--en/index.htm>

ILO. (2012). Youth Employment Interventions in Africa: A Mapping Report of the Employment and Labour Sub-Cluster of the Regional Coordination Mechanism (RCM) for Africa.

[https://www.ilo.org/wcmsp5/groups/public/---africa/documents/publication/wcms\\_206325.pdf](https://www.ilo.org/wcmsp5/groups/public/---africa/documents/publication/wcms_206325.pdf)

ILO. (2016a). World Employment and Social Outlook 2016: Trends for youth. International Labour Office.

[https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_513739.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_513739.pdf)

ILO. (2016b). World Employment and Social Outlook Trends 2016 Africa briefing note.

[https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/documents/genericdocument/wcms\\_444480.pdf](https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/documents/genericdocument/wcms_444480.pdf)

ILO. (2020a). Global Employment Trends for Youth 2020: Technology and the Future of Jobs.

[https://www.ilo.org/global/publications/books/WCMS\\_737648/lang--en/index.htm](https://www.ilo.org/global/publications/books/WCMS_737648/lang--en/index.htm)

ILO. (2020b). How Are Active Labour Market Policies and Income Support Combined in Developing and Emerging Countries? (Webpage).

[https://www.ilo.org/global/about-the-ilo/multimedia/maps-and-charts/enhanced/WCMS\\_723177/lang--en/index.htm](https://www.ilo.org/global/about-the-ilo/multimedia/maps-and-charts/enhanced/WCMS_723177/lang--en/index.htm)

Index Mundi. (2020) Coverage of Unemployment Benefits and ALMP (% of population) – Africa (Webpage)

[https://www.indexmundi.com/facts/indicators/per\\_lm\\_allm.cov\\_pop\\_tot/map/africa](https://www.indexmundi.com/facts/indicators/per_lm_allm.cov_pop_tot/map/africa)

Kasekende, L. (n.d.). Making Employment Creation a Priority in the Development Agenda. Office of Research-Innocenti.

<https://www.unicef-irc.org/article/896-making-employment-creation-a-priority-in-the-development-agenda.html>

Kluve, J., Puerto, S., Robalino, D., Romero, J.M., Rother, F., Stöterau, J., Weidenkaff, F., & Witte, M. (2017). Interventions to improve the labour market outcomes of youth: A systematic review of training, entrepreneurship promotion, employment services, and subsidized employment interventions. *Campbell Systematic Reviews*, 2017:12.

<https://onlinelibrary.wiley.com/doi/epdf/10.4073/csr.2017.12>

# References

- Malo, M.A. (2018). Finding Proactive Features in Labour Market Policies: A Reflection Based on the Evidence. ILO Research Paper #8. ILO future of work research paper series.  
[https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms\\_650075.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_650075.pdf)
- Mlatsheni, C., & Ranchhod, V. (2017). Youth Labour Market Dynamics in South Africa: Evidence from NIDS 1-2-3. SALDRU, University of Cape Town.  
<https://www.redi3x3.org/sites/default/files/Mlatsheni%20&%20Ranchhod%202017%20REDI3x3%20Working%20Paper%2039%20Youth%20labour%20market%20dynamics.pdf>
- National Planning Commission (2017). Youth Labour Market Transitions Report.  
<https://www.nationalplanningcommission.org.za/assets/Documents/NPC%20Youth%20Labour%20Market%20Transitions%20Report.pdf>
- OECD. (2007). Glossary of Statistical Terms.  
<https://stats.oecd.org/glossary/index.htm>
- Office of the Special Adviser on Africa. (n.d.) Comprehensive Africa Agriculture Development Programme (CAADP).  
<https://www.un.org/en/africa/osaa/peace/caadp.shtml#:~:text=The%20Comprehensive%20Africa%20Agriculture%20Development,growth%20and%20prosperity%20for%20all.>
- Pew Research Center. (2020). Niger is World's Youngest Country, with Median Age of 15.  
[https://www.pewresearch.org/fact-tank/2020/04/22/populations-skew-older-in-some-of-the-countries-hit-hard-by-covid-19/ft\\_2020-04-22\\_covidglobalage\\_africa310px/](https://www.pewresearch.org/fact-tank/2020/04/22/populations-skew-older-in-some-of-the-countries-hit-hard-by-covid-19/ft_2020-04-22_covidglobalage_africa310px/)
- Pignatti, C., van Belle, E. (2018). Better Together: Active and Passive Labour Market Policies in Developed and Developing Economies, Working paper. Geneva: ILO.  
[http://www.ilo.org/global/research/publications/working-papers/WCMS\\_660003/lang--en/index.htm](http://www.ilo.org/global/research/publications/working-papers/WCMS_660003/lang--en/index.htm)
- Raffo, C., & Reeves, M. (2000). Youth transitions and social exclusion: Developments in social capital theory. *Journal of Youth Studies*, 3(2), 147-166.  
<https://www.tandfonline.com/doi/abs/10.1080/713684372>
- Rittel, H.W.J., & Webber, M. (1973). Dilemmas in a general theory of planning. *Policy Sciences*, 4: 155–169.  
<http://www.ask-force.org/web/Discourse/Rittel-Dilemmas-General-Theory-Planning-1973.pdf>
- Rodrik, D. (2016). An African Growth Miracle? *Journal of African Economies*, 2016, 1–18 doi: 10.1093/jae/ejw027 Article
- Polastri, R. & Savastano, S. (2020). Results-based financing: A potential game-changer for IFAD's future operations.  
<https://www.ifad.org/en/web/latest/blog/asset/42102349>



Stampini, M., Leung, R., Diarra, S.M. & Pla, L. (2011). How Large Is the Private Sector in Africa? Evidence from National Accounts and Labor Markets1. IZA Discussion Paper No. 6267.

<http://ftp.iza.org/dp6267.pdf>

Timmer, C.P & Akkus,S. (2008).The Structural Transformation as a Pathway Out of Poverty: Analytics, Empirics and Politics Center for Global Development Working Paper No. 150. SSRN.

<https://ssrn.com/abstract=1213154> or [http://dx.doi.org/10.2139/ssrn.1213154.](http://dx.doi.org/10.2139/ssrn.1213154)

UNESCO. (2020) UNESCO Institute for Statistics (UIS).

<http://data.uis.unesco.org/#>

UNIDO. (n.d.) IDD3: Third Industrial Development Decade for Africa 2016-225.

<https://www.unido.org/who-we-are/idda3>

UNIDO. (2010). African Agribusiness and Agro-industries Development Initiative (3ADI): Executive Summary.

[https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/a3ADI\\_exec\\_summary\\_Eng.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/a3ADI_exec_summary_Eng.pdf)

UNICEF. (2017). Dividend or Disaster: UNICEF's new report into population growth in Africa

<https://www.unicef.org/press-releases/dividend-or-disaster-unicefs-new-report-population-growth-africa>

UNICEF. (2019) School Completion Rates, November2019

<https://data.unicef.org/topic/education/secondary-education/>

UNFPA. (2014). The Power of 1.8 Billion: Adolescents, Youth and the Transformation of the Future SUB-SAHARAN AFRICA.

<https://www.unfpa.org/sites/default/files/resource-pdf/SWOP%202014%20fact%20sheet%20-%20Youth%20in%20SUB-SAHARAN%20AFRICA.pdf>

Worldometer. ( 2020). Subregions in Africa by Population (2020) 19/10/2020.

<https://www.worldometers.info/world-population/population-by-africa-subregion/>

Zomahoun, H.T.V., Charif, A.B., Freitas, A., Garvelink, M.M., Menear, M., Dugas, M., Adekpedjou, R. & Légaré,F. (2019). The pitfalls of scaling up evidence-based interventions in health, Global Health Action, 12:1, 1670449,

Zubović, J., & Jonel, S. (2011). Reviewing development of active labour market policies and the evaluation techniques. In The Role of Labour Markets and Human Capital in the Unstable Environment. Karta Graphic Publishing House.

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2173496](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2173496)

# Appendix A: Methodology

## THIS PROJECT IS BASED ON TWO METHODOLOGIES.

### Online interviews

A series of individual online interviews were held with stakeholders working in fields relevant to the central issue of youth employment. Their areas of expertise included: agricultural development; empirical research; economic development; youth development; sectoral development; and infrastructure development. The interviews were designed as semi-structured. They focused on selected themes relevant to the main topic in question.

### Literature review and document analysis

The literature review was conducted online, sourcing materials emanating from the African Union and member countries on themes relevant to this assignment. The literature search informed the enquiry in the early phase of the project during preparation for the interviews, and thereafter, in pursuing particular theoretical and empirical elements that form the debates on youth and employment in Africa and also elsewhere as a means of comparison. Materials were sourced from relevant multilateral organisations, in particular the International Labour Organisation (ILO), World Bank, United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations (UN) and others. Substantial reading was also undertaken in the published research literature on relevant topics.

Also valuable were available systematic reviews of the literature on youth employment and supply-side inputs into youth skills such as technical and vocational education and training (TVET) provision. A systematic review is: “A review of the evidence on a clearly formulated question that uses systematic and explicit methods to identify, select and critically appraise relevant primary research, and to extract and analyse data from the studies that are included in the review” (Bodleian Libraries, 2015). A systematic review entails, “The use of “statistical techniques to combine the results of studies addressing the same question into a summary measure” (Bodleian Libraries, 2015). This method is highly recommended for future exploration of aspects of youth employment on the African continent.

## References

Bodleian Libraries, University of Oxford (2015). Research guide: Systematic literature searching  
[https://libguides.bodleian.ox.ac.uk/education/systematic\\_literature\\_reviews](https://libguides.bodleian.ox.ac.uk/education/systematic_literature_reviews)

## Appendix B: Case studies

### Harambee: Support for young people and linking them with industries

Harambee is a not-for-profit social enterprise with extensive experience building solutions and innovations that can solve the global youth unemployment challenge (Harambee South Africa, n.d). Harambee partners with South African and Rwanda business, government, young people and many others who are committed to results that can work at scale. Harambee tackles the youth unemployment challenge by providing support to businesses and work seekers by using data, innovation, partnerships and on-the-ground experience to tackle the demand and supply of the entry level labour force.

Harambee assists businesses by using scientifically rigorous matching tools and behavioural readiness programmes to reduce hiring risk, and sources high-potential young people from a labour pool that is untapped by most employer networks. This entails assessing the competencies of each candidate to match candidates to jobs where they are most likely to succeed. One of the challenges hindering young people from entering into the labour market is lack of appropriate experience needed by many employers, even for entry level jobs. Harambee focuses on readying young people for the world of work, rather than focusing on previous work experience. The belief is that training in soft skills such as attitudes, appropriate behaviours, socialisation and understanding of the workplace culture will prepare a young person for entry into and success in the world of work.

Moreover, Harambee also focuses assisting young people without formal qualifications. Their aim is the up-skilling of young people who are not in education, employment or training (NEET) through an open learning system that is accessible, affordable, and relevant to the work that is available to them (Harambee, 2018). Harambee identifies sectors in the economy which require skills but do not require tertiary qualification such as business process services where it can place young people.

Another challenge facing young people in entering the job market is the lack of access to social networks of people who are employed. Due to high unemployment rates, many young people have social networks of family, friends or community members who are also largely unemployed. Harambee fulfils this role to some extent, helping to expand young people's chances of obtaining employment by encouraging their partners to engage young people in volunteer and internship opportunities.

To date, Harambee in Rwanda has supported over 5 000 young people, partnering with over 35 employers. Over 1 000 young people have found a pathway into job opportunities, work experiences or learning opportunities. In South Africa, Harambee has supported over 700 000 work seekers and partnered with over 500 businesses. Over 160 000 young people have been assisted to transition into jobs and work experiences.

### **Eastern Cape Communal Wool Growers Association**

The Eastern Cape Communal Wool Growers Association (ECCWGA) is an organisation formed by and for the benefit of Communal Wool Sheep Farmers utilising communal grazing land and shearing infrastructure/sheds (ECCWGA, n.d). ECCWGA has a vision to help communal farmers create the best quality wool sheep industry that meets international standards whilst also protecting the environment.

The Association has been successful in encouraging farmers to produce quality wool, for example, the Eastern Cape's communal wool farmers sent 3.5 million kilograms to the formal market in the 2014/15 season, for which they earned R131 million, and 4.46 million kilograms in the 2015/16 season for which they earned R233.6 million (Dugmore, 2016). The socio-economic surveys conducted by the National Wool Growers' Association (NWGA) from 2004 on the impact of communal wool farmers being part of the formal wool market reveal an increase in household savings accounts from 49% to 84% and a decrease in the number of families having to

borrow money for school fees, from 77% to 48% (Dugmore, 2016). However, there are still farmers who sell to speculators who pay them 20%-40% below the market value. Initiatives like these are important as a strategy to align the informal and formal economies.

Some of the challenges faced by ECCWGA include lack of production advisors. There are only 10 production advisors for the more than 4 000 farmers. There is a great need for advisors to train farmers to improve the quality of their production and enable them to meet international standards and increase their profitability. Farmers need to know how to shear wool, class it and bale it professionally. There is an excellent opportunity to introduce young people into this field and train them.

Another area that is a challenge is access to land. Many communal wool growers do not own land. Owning land would empower communal farmers and encourage them to grow their farming enterprises to the point that they are able to trade as commercial farmers. They would also have control of their grazing land and be able to avoid overgrazing and soil erosion. More assistance for these farmers is needed from government in the form of the provision of water projects and infrastructure including construction and maintenance of roads, shearing sheds, handling facilities and fencing for camps. Government's response to diseases and drought is seen as insufficient and tardy which affects production (Dugmore, 2016).

## **References**

Dugmore, H. (2016). Radical Transformation Eastern Cape Communal Woolgrowers.

<https://heatherdugmore.co.za/radical-transformation-eastern-cape-communal-woolgrowers/>

ECCWGA (n.d).

<http://www.eccwga.org.za/>

Harambee Rwanda. (n.d).

<https://www.harambee.rw/work-seekers/work-seekers-programmes/>

Harambee South Africa. (n.d).

<https://harambee.co.za/>

Harambee. (2018). 7 ways to get young people working.

<https://harambee.co.za/7-ways-to-get-young-people-working/>

## Published by:

Skills Initiative for Africa (SIFA)

An initiative of the African Union Commission (AUC) and the African Union Development Agency (AUDA-NEPAD)

## Implemented by:

African Union Development Agency (AUDA-NEPAD), Johannesburg, South Africa, [www.nepad.org](http://www.nepad.org)

Contact: Unami Mpofu, Email: [UnamiM@nepad.org](mailto:UnamiM@nepad.org)

## Supported by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH International Labour Organization

European Training Foundation

## Co-funded by:

Federal Ministry for Economic Development and Cooperation (BMZ)

The European Union

## Concept:

Unami Mpofu

## Design:

Data Innovators

### Disclaimer:

This publication was produced with the financial support of the European Union and the German Federal Ministry for Economic Cooperation and Development. Its contents are the sole responsibility of GIZ and do not necessarily reflect the views of the EU or the Federal Ministry for Economic Cooperation and Development.

This project is co-funded by the European Union  
and the Federal Ministry for Economic Cooperation and Development



Supported by

