

One-pager on youth employment April 2015

Youth employment in Sub-Saharan Africa

Africa's young people face many difficulties in finding a stable job. Home to the world's youngest population, 10 to 12 million young men and women enter the labour market in Sub-Saharan Africa every year. While the youth make up a large share of the labour force, they are often ill-equipped with the skills needed by employers. According to some, the continent's youth employment challenge is a 'ticking time bomb'. As formal jobs are not widespread, many young Africans try to make a living by working in the informal economy. In recent years, youth employment has been high on the agenda at African conferences and seminars and for research institutes. This one-pager gives a non-exhaustive overview of these events and programmes and their main conclusions and policy recommendations.

Conferences and seminars

The 15th Senior Policy Seminar of the African Economic Research Consortium (AERC) focused on youth and unemployment in Sub-Saharan Africa. The seminar, which was held in Kigali, Rwanda, from 21 to 22 March 2013, covered topics such as unemployment and underemployment, education and youth employment, and the political economy of youth unemployment. A report of the seminar with presentations, conclusions, and recommendations can be found here (pdf).

The international conference on 'Youth Employment in Sub-Saharan African' (YESSA) was held in Dakar, Senegal, from 28 to 30 January 2014, because '[t]en years after the Ouagadougou Plan of Action, there is evidence to suggest that youth employment remains a challenge to most policy and stakeholders on the continent'. By critically reviewing current policies and identifying needs, the conference put forward a number of recommendations for finding a sustainable solution to youth unemployment. The participants stressed the importance of supporting high-quality research on youth employment policies and entrepreneurship 'in order to initiate new policies'. They also acknowledged 'the importance of training and the adequacy between education and job'. The full recommendations can be found in the report of the conference (pdf), which was organized by the International Development Research Center (IDRC) and the Think Tank Initiative.

The YESSA conference served as a prelude to the special session of the African Union's Conference of Labour Ministers, which was held in Windhoek in April 2014. The report, statements and plan of action from the conference are available here.. The Windhoek conference prepared recommendations for the Extraordinary Summit of African Union heads of state on employment, poverty eradication and inclusive development, which was to be held in Ouagadougou, Burkina Faso, from 3 to 7 September 2014. The recommendations addressed six key policy issues, namely, youth and women's employment; social protection and inclusive growth, the informal economy, the social economy and rural employment; productivity, competitiveness and social dialogue; labour market governance; labour migration and regional economic integration; and partnership and funding for the implementation of employment policies. A concept note was also prepared and can be found here (pdf). However, the conference was postponed due to the outbreak of the ebola virus.

The conference of the Poverty Reduction, Equity and Growth Network (PEGNet), which took place in Lusaka, Zambia, from 18 to 19 September 2014, hosted a session on youth employment with papers on entrepreneurship, the industrial sector in Zambia, and youth employment in rural Africa. The project 'Wage subsidies and youth employment in South Africa: Evidence from a randomized control trial' of the University of Stellenbosch (South Africa), University of the Witwatersrand (South Africa) and Yale University (United States) won the Best Practice Award at the conference.

As a national initiative following up on the YESSA conference, the **Institute of Policy Analysis and Research** (IPAR), Rwanda, and IDRC organized a **conference** in Kigali, Rwanda, from 24 to 25 November 2014, on innovations for youth employment in Africa. Presentations dealt with innovative approaches to youth



unemployment, entrepreneurship as a job creator and the school-to-work transitions. Presentations can be found <u>here</u>.

The **Ashoka Globalizer Summit** convened in Capetown, South Africa, from 12 to 14 February 2015. It brought together young social entrepreneurs share their strategies for increasing youth employment. Read more about these creative influencers in this article.

Research projects

Within the INCLUDE research consortia, the project 'Multipliers for Employment Creation: The IT Sector in Kenya', led by Harry Barkema, focuses on youth. The project investigates how, and under what conditions, small IT firms, which typically start in the informal sector, take off, generate organizational growth, and become formal-sector employers of women and youth in Kenya. The research consortium consists of Africa Creative Hub, Ashoka, East Africa Social Enterprise Network (EASEN), Erasmus University Rotterdam, iHub Research, London School of Economics, and Strathmore Business School.

The other INCLUDE research consortium that pays special attention to youth is the project on <u>'Productive Employment in the Segmented Markets of Fresh Produce'</u>, led by Bekele Shiferaw. One of the questions this project addresses is: 'What are the prospects of youth and women in the segmentation of Kenya's fresh produce markets between a modern (programmed) and a traditional (non-programmed) agricultural sector?' The research is carried out by a consortium consisting of the Fresh-Produce and Exporters Association of Kenya, Partnership for Economic Policy (PEP-Net), University of Amsterdam, and VU University Amsterdam.

Other research programmes that study youth employment are:

- <u>'Examining Women's Early Labour Market Transitions in Sub-Saharan Africa'</u>, funded by IDRC (SIG programme) and carried out by University of Sussex and University of Nairobi. This programme addresses the factors that influence labour market outcomes for young women in Eastern and West Africa, such as the transition from school to work.
- 'Innovative Approaches to Creating Opportunities and Incorporating Youth into Labour Markets in the
 <u>East African Community'</u>, funded by IDRC (SIG programme) and carried out by IDRC, University of
 Nairobi, Centre for Basic Research, Economic and Social Research Foundation, and IPAR, Rwanda. This
 programme studies the relationship between growth and youth unemployment and evaluates the
 effectiveness of labour market policies and programmes.
- <u>'Beyond Technical Skills Training: The impact of Credit Counselling on Entrepreneurial Behavior of Ugandan Youth'</u> of PEP-Net. This programme investigates the borrowing behaviour of young Ugandan entrepreneurs under the government's Youth Venture Capital fund.

To better understand what works where in terms of promoting youth employment, a team of researchers has announced a systematic review of active labour market policies targeted at youth called 'Interventions to improve labour market outcomes of youth: a systematic review of training, entrepreneurship promotion, employment services, mentoring, and subsidized employment interventions'. The researchers from Humboldt University in Berlin, Rheinisch-Westfälisches Institut für Wirtschaftsforschung (RWI), University of Oxford, the International Labour Organization (ILO), and the World Bank are currently undertaking the review. The protocol document contains a background chapter on the importance of youth employment and the need to review experiences in training, entrepreneurship promotion, employment services, mentoring, and subsidized employment interventions. This document also points to previous reviews that have considered youth employment interventions.

Web resources

A selection of relevant articles available on the web:

• Devang Vussonji and James Mwangi (2014) <u>'The golden year: solutions for Africa's youth unemployment.'</u> The Chronicle [online], 24 December 2014



The authors unravel the causes of the skills gap in Africa and argue that it is important to tackle these mismatches. According to the authors, finding a job in the first year after school increases earnings by 21% throughout a person's working life and improves their chances of career success. One of the most impactful ways to increase youth employment is through the introduction of apprenticeships and by teaching soft skills at school, neither of which, the authors point out, are commonplace in Sub-Saharan Africa.

- Dickson Malunda (2012) <u>'Generating jobs for youth in Africa.'</u> Jobs and Development Blog [online],
 23 November 2012, World Bank
 - In a video interview, Dickson Malunda, Senior Research Fellow at the Institute of Policy Analysis and Research in Rwanda, says that 'Africa needs to take a more holistic approach to creating jobs and encouraging entrepreneurship not just piecemeal, insufficiently coordinated efforts'. In addition, 'massive job creation in manufacturing and political leadership from the top' is key.
- IDRC (undated) 'Putting employment at the heart of growth.' Supporting Inclusive Growth [online],
 IDRC
 - An overview of papers, conferences, and research projects by IDRC on youth employment.
- Gemma Ahaibwe and Swaibu Mbowa (2014) 'Youth unemployment challenge in Uganda and the role
 of employment policies in jobs creation.' Africa in Focus [online], 26 August 2014, Brookings
 The authors analyze the features and causes of youth unemployment in Uganda, as well as possible
 solutions.
- Clément Kouadio Kouakou (2011) 'Urban youth labour supply and employment policy in Côte d'Ivoire.'
 Paper No. RP_240, AERC
 - The author analyzes the challenges of creating employment for the urban youth in Côte d'Ivoire and assesses government policies on this issue. The article presents the results of household surveys, indicating a predominance of social capital over human capital as an important cause of inequality in employment opportunities. According to the author, government policies have improved access to employment and working conditions, but 'what essentially needs to be done is to set strict selection criteria targeting the most disadvantaged groups'.
- Josefine Ulbrich (2015) 'Small but powerful. Conclusions from The Broker's debate on boosting employment in African small and medium enterprises.' The Broker [online], 9 March 2015
 The author analyzes the potential of small and medium enterprises for employment, also among the youth, on the basis of experts' insights.
- Danielle Nierenberg (2015) 'The new yuppies: how to build a new generation of tech-savvy farmers.'

 The Guardian. [online], 28 January 2015
 - The author posits that: 'If the highest calibre of young people become farmers it will improve food security and help solve the unemployment crisis', and asks: 'Can tech make farming cool?'
- This is Africa (2014) 'Building inclusive economies. Can Africa bridge the development divide?' This is Africa [online]
 - A report by high-level experts that examines the new development priorities for Africa, including youth employment and inclusive growth.
- Ashoka (undated) 'News about innovations for youth employment in Africa'. Bundlr [online]
 An overview of the most recent articles about innovations for youth employment in Africa bundled by Ashoka.

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Weblink: http://includeplatform.net/downloads/youth-employment-in-sub-saharan-africa/