

Advancing Africa's Capabilities

Although changes in the nature of work are inevitable, the impact of these changes is not. [Globalization and digitalization present infinite opportunities](#) – for employment, income, wellbeing, participation, empowerment and better decision making. But the translation of globalization and digitization into inclusive development outcomes depends on who can access, own and use technologies, who can enter and capitalize on new or expanding markets, and who can position themselves effectively within shifting supply chains and power structures, as well as who gets exploited and left behind in transition processes. To determine an inclusive pathway for development, we must find and implement [forward-looking approaches that remove structural inequalities](#) and generate the capabilities necessary to reap the benefits of change. It is no longer a case of the 'rich' versus the 'poor'; multiple groups of people are vulnerable to the negative impacts of globalization and digitalization. Moreover, the African context presents a unique problem in terms of both nature and scale, with some major implications for development cooperation in this region.

In line with the [Human Development Report](#), we identify two groups placed particularly at risk by global economic and technological trends:

- **Those who are already left behind and lack basic capabilities.** Despite overall progress in human development in the past two decades, nearly a quarter of people in developing countries (and 57.5% in Sub-Saharan Africa) still live in multi-dimensional poverty. Only 34% of adults in Africa have some secondary education, and over 43% of children fail to complete primary school, compared to 67% and 21% globally. [Literacy rates](#) in the region are 20 percentage points below the world average and even lower among the extreme poor, rural populations, girls and learners with disabilities. Digital developments can offer lifelines to marginalized groups, but can equally [exacerbate socioeconomic divides](#) if they are unaffordable or inaccessible without basic skills or connectivity.
- **Those who have caught up in terms of basic capabilities, but are in danger of falling behind again without more advanced capabilities.** New inequalities in higher capabilities mean that [those who are empowered today are at risk of becoming unempowered tomorrow](#). Individuals who cannot access relevant skills through higher education will be ill-equipped to satisfy the demands of 'better jobs' created by artificial intelligence. Firms that cannot embed modern technologies or business knowledge will struggle to expand, innovate and compete in ever more sophisticated environments. Societies that cannot build high quality services and digital infrastructure today, will be more vulnerable to shocks in the future. As the nature of work transforms, so too must the approaches and aims of inclusive development policies.

Examples of basic capabilities	Examples of enhanced capabilities
<ul style="list-style-type: none"> • Early childhood survival • Primary education • Entry-level technology • Subsistence income and resistance to current shocks • Women's right to vote 	<ul style="list-style-type: none"> • Comprehensive healthcare • High quality, diverse learning system • Current technology • Resilience against unknown shocks and disturbances • Women's participation as leaders

The African region presents specific challenges and opportunities associated with globalization and digitalization:

- **Africa exhibits unique patterns in its rate of population growth and demographic composition.** High birth and fertility rates and bulging youth populations put incomparable pressure on domestic labour markets. At the current rate of labour force growth, [Africa must generate around 12 million new](#)

[jobs each year](#) to prevent unemployment from rising by 2030. However, there is also [opportunity to reap the demographic dividend](#) by forming a productive and digitally-skilled workforce.

- **Education represents one of the greatest sources of inequality and obstacles to development.** Although access to basic education has increased in many countries, school systems across Africa face issues of [under-enrolment \(particularly at tertiary level\)](#), [school drop-out and inequitable access](#). In addition, poor learning environments (including teaching and materials) have contributed to [low average achievement](#) and insufficient technical and human skills for youth to reach their potential. The ability to keep up with global trends and achieve shared prosperity rests heavily on closing these gaps.
- **A relatively high proportion of the economy still operates in [low-productivity agriculture and small-scale informal work](#).** These sectors are specific in terms of their [capacity and input \(skills and technology\) needs](#). Frameworks must balance current structures and resources with future demands to [protect \(small\) businesses](#) and against automation and competition. This involves [embedding technology](#) to support growth and productivity among existing sectors, and providing business skills (also through informal channels) that are relevant to the local context.
- **Growth and connectivity in the region remain low.** The lack of basic technologies found in (often rural) parts of Africa [limits the scope for more advanced technologies](#) that promote learning and business development (e.g. IT in schools, finance and innovation). [Low GDP growth, high debt and underinvestment](#) further threaten the delivery of services, redistribution of power and opportunities, and protection of rights, which help to abate the negative impacts of changes in production and technology.

Some major implications emerge for development cooperation:

- **A stronger focus on [educational quality](#) is imperative.** Efforts to promote job creation and structural transformation must be equally balanced by meeting the demand for skills. Donor interventions should focus on [improving learning outcomes](#) (in literacy, soft and digital skills) and [increasing equity](#) (related to poverty, disability, gender and location), as opposed to basic access alone. Donor agencies can help to create better linkages between education and the private sector, and to strengthen informal modes of learning, through which the majority of individuals acquire skills. Quality improvements require a [more equal distribution of funding](#) across levels and activities to incentivize further education and smooth transitions. A complementary area for support is in assessing learning quality by measuring soft and technical skills, standardizing tests and improving data systems around learning.
- **[Reducing inequalities](#) in both basic and advanced capabilities is vital.** Reforms have in many cases focused on reaping low-hanging fruit, but the hardest-to-reach groups present a [bottleneck for further progress towards the SDGs](#). Universal access to primary education, mobile phones and basic health facilities provide a starting point for those at the bottom, but more investment is needed in comprehensive services (with a focus on skills and connectivity) to keep the momentum of progress and prevent regression to poverty and marginalization.
- **The concept of [‘no one left behind’](#) should be applied broadly and include those in transient poverty and those vulnerable to future poverty.** Policies should always be aware of the winners and losers and any unintended consequences of digital developments. Donors could, for instance, promote social protection and skills programmes that take a graduation approach, target small and medium enterprises (SMEs) and individuals in declining sectors or with redundant skills, and focus on the multidimensional aspects of poverty that inhibit technology uptake or work/school performance.