



AFRICA HUMAN CAPITAL HEADS OF STATE SUMMIT

Africa Human Capital Technical Briefs Series

Activating the Potential of Africa's Youth: The Role of Skills

July 2023

KEY MESSAGES

- Sub-Saharan Africa has an abundance of youthful energy and enthusiasm that can be a boom for the economy, but a lack of gainful economic opportunities can pose substantial risks.
- Inadequacy of job opportunities is at the core of high poverty, regional inequality, and social and political unrest.¹
- There is evidence that improving skills (including foundational, soft skills, and digital skills) and career counseling/guidance of post-basic (upper secondary and tertiary) students and graduates to better prepare themselves for their working lives.
- Improving the market orientation, and TVET/tertiary institutions will improve the relevance of the skills and services.

WHY SKILLS MATTER FOR AFRICA

A good number of Sub-Saharan Africa (SSA) countries are experiencing rapid expansion of the working-age population. This can be a window of opportunity to benefit from the “demographic dividend”, where the share of those who are working starts to outnumber the share of young and old dependents. While this can fuel economic growth caused by an increase in labor supply, among those employed, the quality of employment in SSA countries is not high as a good percentage of those employed work in lower-tier informal employment.

In Kenya, a large number of youths are Not in Employment, Education, or Training (NEET). The NEET are more likely to be in their 20s, have no education and are not proficient in Kenya’s official languages.² In addition to unemployment, underemployment – working less than 28 hours a week – also presents a challenge, particularly for youth, women, those

in rural areas, and those with lower levels of education in Kenya. For instance, rural youth are largely employed in the agriculture sector including fishing and livestock production which are threatened by climate change. These sectors are mostly dependent on natural resources and have been severely affected by unpredictable weather patterns, leaving youth often in vulnerable and seasonal jobs.³ This Indigenous Peoples/Sub-Saharan Africa Historically Underserved Traditional Local Communities, known in Kenya as Vulnerable and Marginalized Groups (VMGs), are traditionally excluded groups.⁴

In most African countries, only those in formal employment get some form of social insurance leaving a large missing middle in Africa that has no social safety net coverage and little insurance against shock.⁵

¹ Kathleen Beegle, Dena Ringold, and Sara Johansson de Silva, “More, and More Productive, Jobs for Nigeria: A Profile of Work and Workers,” (Washington, DC: The World Bank, 2015).

² Kenya Jobs Diagnostic draft. “Can I be of Service: Inclusive Growth in Kenya through Services-Led Development”. February 2023.

³ Ibid

⁴ The National Youth Towards Advancement (NYOTA) scale up from Kenya Youth Employment and Opportunities Program (KYEOP) supported by the World Bank (P151831).

⁵ The Long Shadow of Informality: Challenges and Policies - Edited by Challenges and Policies Franziska Ohnsorge and Shu Yu.

POLICY RECOMMENDATIONS

1. The magnitude of the challenge to address the skills gap in Africa is great. Increasing the Labor Force Participation (LFP) and decreasing inactivity, is important to make best use of the demographic transition that has begun in Africa. The LFP rate is particularly low for some groups – i.e., youth (15-24) at 38% overall in SSA. In Kenya, the largest age cohort of LFP is between 13 and 17 years of age and roughly one million youth will be joining the labor force each year over the next decade.⁷ In Nigeria, the economy needs to generate 5 million jobs annually over the next decade to accommodate its new labor market entrants.

2. Jobs are critical for Africa's present and future. The inadequacy of job opportunities and large unskilled labor force is at the core of high poverty, inequality, and social and political unrests in Africa. There is a wealth of diagnostic information about the forces shaping Africa's labor market and the state of youth employment and broad pathways to employability – both from the perspective of structural transformation and direct programs that could foster job creation for specific groups of workers.

3. There is also a wealth of international good practice examples of focused public policies and interventions aimed at increasing access to jobs for youth.⁸ These range from enhanced incentives for a longer stay in schools, literacy and numeracy training, "cash plus" programs, and public works to entrepreneurship support, apprenticeships, ALMS, wage subsidies, and business development grants.⁹

How to Measure Success or Failure: Relevant Data

- The level of skills and education among the youth in Africa is low. About a fifth do not have formal education, and over half (56%) have not completed higher secondary education.⁶
- Africa's population structure continues to be heavily skewed towards young dependents because of high fertility rates. Plots the rate of decline in Total Fertility Rate (TFR) over the last two decades among countries in the African continent provides three categorical breakdown: (a.) countries where TFR decline has been less than 0.05 per year are categorized as having a "stalled" transition; (b.) countries where TFR decline has been between 0.05 and 0.1 per year are categorized as "early transition"; and (c.) countries where TFR decline has been more than 0.1 per year are categorized as "transition". In Nigeria, the demographic transition has stalled, prolonging its placement as a 'pre-dividend' country with the decline in fertility rates lagging other countries and regions.
- Adolescent girls and women are a crucial demographic group that hold the key to fast-tracking demographic transition in Africa. For instance, in Nigeria, there are several reasons why addressing the needs of Nigeria's adolescent girls and empowering them presents Nigeria with the best window of opportunity to harness a demographic dividend. First, adolescents between the age groups of 10-19 constituted an estimated 23% of Nigeria's population in 2020 and will continue to represent more than 20% of the population by 2050.

Definition

Skill(s) is defined as the ability, coming from one's knowledge, practice, aptitude to do something well. In other words, a look at skill(s) examines competent excellence in performance, expertness, dexterity.

⁷The sectoral context section is sourced from the recent Kenya Jobs Diagnostic draft. "Can I be of Service: Inclusive Growth in Kenya through Services-Led Development". February 2023.

⁸World Bank: A Better Future for All Nigerians Nigeria Poverty Assessment 2022 World Bank Poverty Team – January 2022.

⁹NIGERIA: Youth Employment and Skills Development PASA (P179779).



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