



THE AFRICAN CAPACITY  
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DES CAPACITES EN AFRIQUE

# Regional Integration Policies to Support Job Creation for Africa's Burgeoning Youth Population

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# Introduction

- Demographic trends and implications for Africa
- Youth employment challenges and opportunities
- Role of regional integration
- Policies and programs to tackle youth unemployment
- Targeted actions for African countries
- Conclusion



# Global Demographic Trends: End of the Malthusian Thesis?

## Global Trends:

- Five babies born every second coupled with improvement in health, early warning and rescue systems
- Population grew from 1 billion in 1800 to 7 billion in 2011
- Shift from high mortality and fertility to low mortality and fertility
- Population growth driver has direct impact on employment and poverty reduction
- 96% of working age population is in developing countries

## Trends in Africa:

- Demographic trends have been distinct from other parts of the world
- High number of births per woman further reinforced with low life expectancy and consequent implications on age dependency
- Population quadrupled from 1955-2009 to reach 1 billion in 2009
- Fastest growing and most youthful population in the world with implications for job creation and stability



# Africa's Youth and Employment Challenge

## **Size of the challenge:**

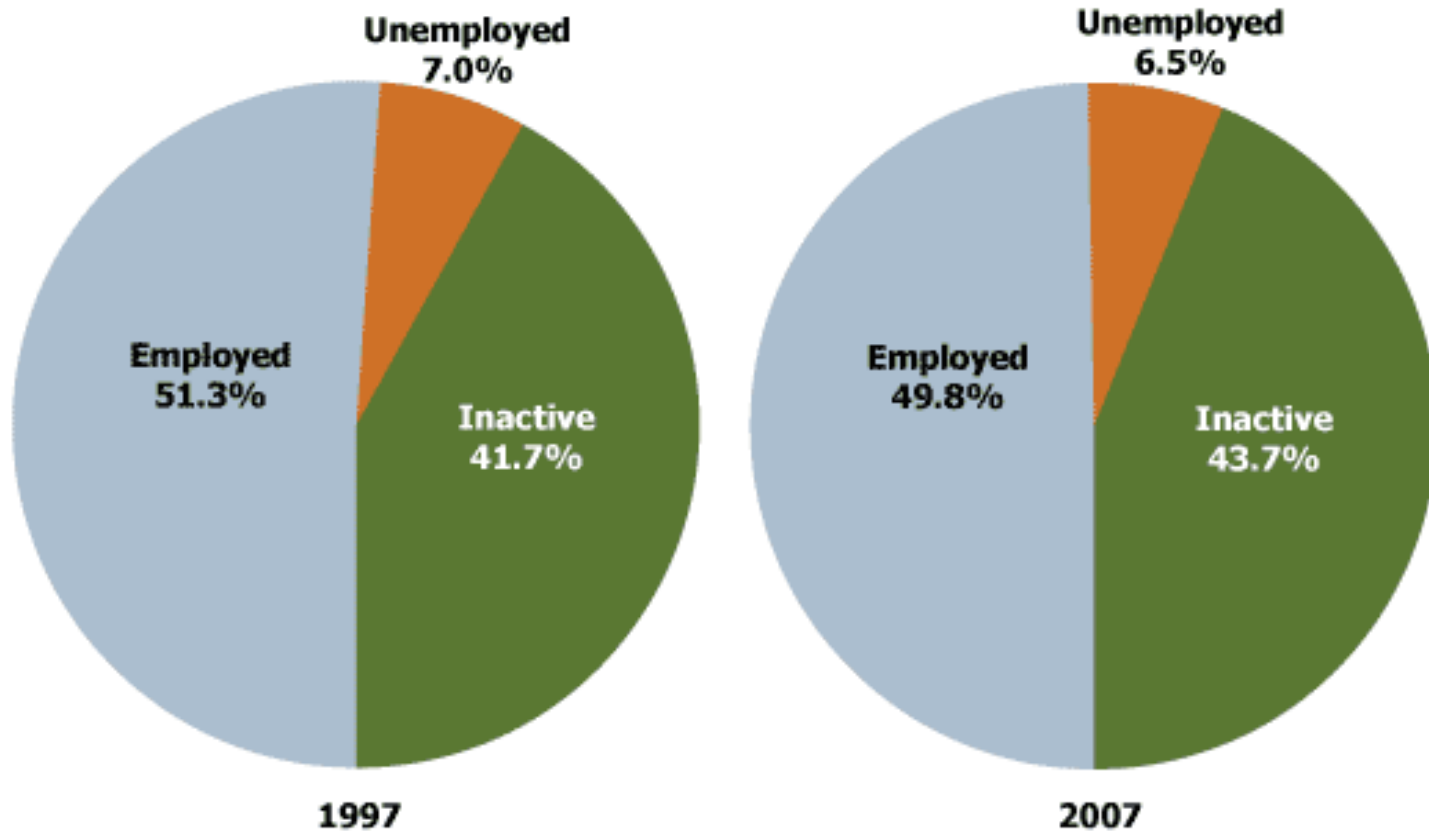
- 200 million Africans aged 15-24 years
- 2.2% population growth per year and 5.2 births per woman is highest in the world
- Over 40% of population is under 15
- 71% of young people live on under \$2 per day
- Many youth are under paid or underemployed

## **Main characteristics:**

- Many youth fend for themselves in informal economy and are not captured by statistics
- Women face different unemployment patterns than men
- Unemployment of the educated is a particular challenge
- Youth unemployment and underemployment is a major threat to stability



# Youth Population by Economic Activity Status in Sub-Saharan Africa, 1997 & 2007



Source: International Labour Office, [Global Employment Trends for Youth 2008](#).



# Challenges in Africa

- Youth unemployment is rising across all of Africa
- Beyond economic costs, high youth unemployment has social ramifications:
  - Some youth with little hope of future advancement see little alternative to criminal activities or joining armed conflicts.
  - Unemployed/underemployed are easy prey to illegal activities—crime, armed/rebel groups, fanaticism
  - Mass emigration (unskilled)
  - Unhappiness, frustration, revolt – Arab Spring
- Direct costs
  - Lost income-taxes
  - Wasted/under-utilised capacity
  - Constant brain-drain (skilled) [e.g. Doctors, nurses, teachers]
    - Loss of intellectual capital and know-how.



# Role of Regional Integration

- Trade: getting a billion people to trade with each other in a regional market
- Social/political/cultural: integration depends on how people associate with each other, their expectations for the future, and the role afforded to women/excluded groups
- Infrastructure: to connect people, spaces, and economies across cities, countries, sub-regions
- RECs Policies and processes:
  - to allow free movement of ideas, goods, and people
  - building blocks for integration with a primary focus on economic integration as a step facilitating political integration
    - Some success, but RECs also bottlenecked by weak capacity and overlapping membership



# Regional drivers for Job Creation

- Demand for high skills jobs: in the finance and banking sectors, management, alternative energy and efficient water sectors due to integration reforms across countries
- Growth in unique skills jobs: cultural employment, tourism from geographic endowments due to increased coordination and marketing across countries and regions
- Technical skills: vocational and intermediate jobs based on engineering and technical skill in construction, tourism, hospitality industries
- Knowledge, Science and Technology: research and analytical jobs depending on math and science and depending on the education systems





# Potential and Promise

- While recognizing Africa's challenges, one can also view the large youth population as an opportunity:
  - The demographic transition makes youth the most abundant asset that the region can claim, thus making it a window of opportunity.
- A multi-sectoral approach by governments and partners is key
  - Expanding jobs and education alternatives in rural areas;
  - Development in agriculture and nonfarm sectors is integral to creating demand for youth labour;
  - Expanding access to, and improving the quality of, training opportunities;
  - Investing in infrastructure for connectivity across countries and job creation in the short and long run;
  - Tapping into opportunities in the green economy;
  - Getting the rural-urban nexus right;
  - Improving the investment and macroeconomic environments;
  - Encouraging and supporting entrepreneurship amongst young people;
  - Addressing demographic issues and possibilities of trans-border migration
  - Addressing youth in violent and post conflict settings



# Employment opportunities in agriculture

Agriculture value added (% GDP)	Countries	Job creation opportunity
0-5	Botswana, Congo, R, Djibouti, Equatorial Guinea, Gabon, Libya, Mauritius, South Africa	Very Low
6-20	Algeria, Angola, Cameroon, Cape Verde, Chad, Egypt, Lesotho, Mauritania, Morocco, Sao Tome & Principe, Senegal, Swaziland, Tunisia, Zimbabwe	Low
21-40	Benin, Burkina Faso, Burundi, Eritrea, Gambia, Ghana, Guinea, Kenya, Madagascar, Malawi, Mali, Mozambique, Nigeria, Rwanda, Sudan, Uganda, Zambia	Medium
41-60	CAR, DRC, Ethiopia, Guinea Bissau, Sierra Leone, Tanzania, Togo	High
>60	Liberia	Very High

Source: Calculated using data from World Bank Data Finder



# Employment opportunities in industry

Industry value added (% GDP)	Countries	Job creation opportunity
0-5		Very Low
6-20	Benin, Burundi, Cape Verde, CAR, Djibouti, Eritrea, Ethiopia, Gambia, Guinea Bissau, Kenya, Liberia, Madagascar, Rwanda, Tanzania	Low
21-40	Burkina Faso, Cameroon, DRC, Cote d'Ivoire, Egypt, Ghana, Lesotho, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Sao Tome & Principe, Senegal, Sierra Leone, South Africa, Sudan, Togo, Tunisia, Uganda, Zimbabwe	Medium
41-60	Botswana, Chad, Guinea, Nigeria, Swaziland, Zambia	High
>60	Algeria, Angola, Congo, R., Equatorial Guinea, Gabon, Libya	Very High



# Potential Actions Countries can Take for Job Creation

Potential Actions by Countries	Investment in Skills & Tools	Improving the Investment Climate	Enhancing Trade & Market Access
<b>Reforming Universities</b>	Leadership Innovation Entrepreneurship	Policy Research Analysis Incubators	Policy Research Analysis
<b>Creating Policy Units</b>	Case studies, analysis of opportunities & constraints	Policy Evaluation Policy Advice	Policy Evaluation Policy Advice
<b>Supporting Associations &amp; Networks</b>	Idea generation Learning & Exchange	Interface and dialogue with public sector	
<b>Support to Industries and businesses</b>	Investment in Business development Marketing	Supporting the Development of Innovation Systems	Engaging in Regional and Global Integration



# Conclusions: Approach

- Challenges & opportunities facing Africa have consequent policy implications
- The problem can be tackled in the **short, medium & long term**
  - **Short-term:**
    - data is needed on the unemployment patterns to better target job creation in the variety of sectors
  - **Medium-term:**
    - Building capacity to transform production is critical
  - **Long-term:**
    - Countries need to secure high and sustainable economic growth levels, attract private investment, ensure a well functioning education system, and invest in ICT
- Regional integration policies are key in fostering creation of jobs, providing better access to opportunities, and stability to the labor market—harmonized border crossings, cross-country movement of goods and people, etc.
- Investments in infrastructure, knowledge-sharing, and data collection at a regional level are also crucial
- A holistic approach is needed to address the unemployment challenge both on the demand side (quality of the labor market) and supply side (conditions for private sector and entrepreneurial development)



# Conclusions: Going Forward

- There is a role for regional capacity building organizations like NEPAD and ACBF
- Support to countries for putting in place policies needed to generate employment
- Skills building and competence refining to meet demands of the labor market
- Enhancing the creation of harmonized processes and systems including regulations, border crossings
- Supporting capacity development of RECs
- Call for a ***coherent and integrated response*** that recognizes the particularities of Africa, especially the very large share of rural youth population, gender and demographic traits, and tiny labor markets.

***Thank you for Listening...***  
***Merci de m'avoir écouté...***

