



Addressing Africa's Youth Unemployment Challenge – What Next Steps Required?

Arusha, Tanzania: September 7, 2011

CONCEPT NOTE

I) CONTEXT

The dynamics and causes of youth unemployment in Africa are complex and multi-dimensional. Youth (those between 15 and 24) represent more than 60 per cent of the continent's total population and account for 45 per cent of the total labour force. Unlike other developing regions, sub-Saharan Africa's population is becoming more youthful, with youth as a proportion of the total population projected at over 75 per cent by 2015, due to the high fertility rate underlying the demographic momentum. It is expected that this increase in the number of youth will not decline before 20 years or more.

It is arguable that the high rate of youth unemployment in North Africa resulted in the political unrest in the region. As a result of these protests, it has become a major concern to governments in the region and elsewhere in Africa. It is most likely that the problem of unemployment in Africa worsened in the past few years because of the global financial crisis which negatively affected export revenues and the flow of foreign capital. The effects of the crisis have been made worse by rigidities in the labor market and a poor business environment.

The incidence of youth unemployment in sub-Saharan African is estimated to be over 20 per cent. It is also estimated that about 133 million youth (more than 50 per cent of the youth population) in Africa are illiterate. Many youth have little or no skills and are therefore largely excluded from productive economic and social life. Those with some education often exhibit skills irrelevant to current demand in the labour market, in a situation where educational and skill requirements are increasing, resulting in millions of unemployed and

underemployed youth. University graduates are the most affected by youth unemployment. This has led many to question the capacity of higher education institutions in this region to provide youth with skills and knowledge adapted to the needs of the labor market. With poor employment prospects ahead of them, many university graduates have chosen to leave their countries to look for work in Europe and other destinations, aggravating the problem of brain drain.

Equally, technical and vocational trainings have been far in between. Too often, vocational training is seen as a means to “help bring youth back” when the basic education system has failed (the notion of giving a second chance), or as a top-up to the basic knowledge base youth will need, to help prepare them for the labour market (the notion of continuous adaptation or re-adaptation to a flexible and constantly changing labour market). Clearly, this type of vocational training needs to be replaced or supplemented by an educational option which can provide youth with lifelong learning skills. Vocational training also has a very specific purpose, namely, to improve skills related to specific technologies and to develop them further in the work place.

However, vocational training as a single intervention is likely to be insufficient to overcome a context of high levels of youth unemployment because of serious difficulties in integrating youth into the labour market, especially amongst early school leavers. The reason being that poor skill levels are only one of a myriad of factors leading to youth unemployment. To counter this and make Technical and Vocational Skills Development (TVSD) successful other reforms including labour-market policies for young workers need to encompass training as part of an integrated and targeted package that recognise the array of labour market barriers that youth face. This is important if the training programmes are to be successful. Some of the barriers to employment opportunities for many youth are: lack of job creation, vulnerability of young workers to layoffs when economic growth falters, high labour costs or unrealistic wage expectations on the part of youth, discrimination (i.e. negative attitudes towards inexperienced young workers), poor access to fundamental education (e.g. the lack of skills from limited job experience and hence little access to on-the-job training), government policies that discourage work, rapid economic change, and the compounded labour-market disadvantages that accompany poverty.

Understanding the causes of youth unemployment is an essential first step before costly investments in TVSD are made. Perhaps due to the lack of this understanding, much of the training offered to young unemployed people has arguably not lived up to its expectations when subjected to rigorous evaluation of training programmes, which in general have not yielded positive results in raising incomes and job offers for these workers.

Most school leavers, especially early school leavers, find work in the informal sector. The cases of Benin and Senegal show important efforts to expand and upgrade informal apprenticeship to enhance the employability of young people. Agencies such as UNDP and the ILO have made other important efforts to support youth transition to work. The ILO in particular supports dual apprenticeship systems in combination with initiatives to improve access of girls, disabled and other vulnerable groups to training, and with the introduction of social protection for apprentices, and the provision of post-training support for graduates through access to microfinance and other support for self-employment.

To solve the problem posed by the high level of youth unemployment, the governments in Africa have taken measures to improve the quality of education and stimulate innovation. Some of these measures have aimed to build public- private sector partnerships to make university education more relevant to market needs. In spite of progress made, these efforts have for the most part not been successful and the number of unemployed university graduates has kept increasing. One of the key factors behind the growth in youth unemployment is population growth. The high rate of population growth in these countries requires that enough jobs be created to also satisfy the growing number of youth entering the labor market every year.

Countries have also taken other measures such as macroeconomic and structural reforms including labour market laws, decentralization of public spending and creating enabling entrepreneurship environments. Sector measures include amongst others, those that seek to enhance agricultural productivity, engaging the informal sector in job-creation and promoting social-inclusion.

It is within this context that the African Capacity Building Foundation (ACBF) has responded favorably to the request by the AU to lead the discourse and bring together a wide range of lessons and international best practice on the problem of youth unemployment in Africa. The Foundation plans to organize a Round Table (RT) during the meeting of its Board of Governors to be held in Arusha, Tanzania. This Round Table is consistent with the ACBF strategic plan (2012-2016) which has as one of its strategic priorities working together with state and non-state actors to strengthen national capacities in the formulation and implementation of development policies.

The preparation of the strategic plan, which is the third for ACBF, provided the Foundation with the opportunity to assess what has been learned since its creation in 1991. During the past two decades, ACBF has, with the support of its donors, committed more than USD400 million to capacity development interventions in the African continent. These interventions

have strengthened capacity in several priority areas, particularly in economic policy management. ACBF was happy to detect that in spite of the difficulties it caused; the African continent demonstrated greater resilience to the global economic crisis than other regions. This could be explained to a large extent by the well designed economic policies in place in many African countries.

One of the main challenges identified in the strategic plan is the need for African countries to develop qualified and competent human resources, capable of adapting to the rapid technological change required to make African economies more competitive. Another difficulty identified in the strategic plan is the development of capacity to formulate and implement policies to promote employment, particularly self-employment; and improve the functioning of labor markets institutions.

To address these difficulties, ACBF plans to increase its support to public administration and research institutions to strengthen their capacity to formulate and implement policies that promote human development and improve the quality of higher education as engines of economic growth. In the area of higher education, ACBF will strengthen its partnerships with universities and institutions of higher learning to support initiatives to provide education that is adapted to the needs of the labor market.

The proposed Round Table (RT) will present a platform to share experiences and best practice on policies that work. It will also help to increase awareness of the various dimensions of the problem of youth unemployment.

2) ROUND TABLE OBJECTIVES

The main objective of the Round Table is to provide a platform for discussion and exchange of information, knowledge and experiences on job creation and youth unemployment in Africa. It is expected that this will improve the design and implementation of policies to create jobs and reduce youth unemployment.

The Round Table will specifically aim to:

- Increase awareness of state and non-state actors of the various dimensions of youth unemployment so that they can be fully considered in the design of policies;
- Bring together experts and decision makers concerned with the problem of youth unemployment to facilitate exchange of lessons and experiences;
- Improve ACBF's understanding of the capacity needs associated with the problem of youth unemployment so that the Foundation can fund more relevant interventions;
- Develop and strengthen strategic partnerships to support initiatives in this area.

3) **METHODOLOGY**

The Round Table will feature presentations of country experiences, lessons and/or case studies by distinguished speakers drawn from national governments, including former government leaders. The session will be moderated such that all speakers have an opportunity to share their views on the issue, following which the audience will be invited in to ask questions, and/or comment on the presentations.

4) **DISTINGUISHED SPEAKERS**

- I. **H.E. Tertius ZONGO**, former Prime Minister, Burkina Faso
- II. **H.E. Lamine LOUM**, former Prime Minister, Senegal
- III. **H.E. Zeine Ould ZEIDANE**, former Prime Minister, Mauritania
- IV. **Moderator (TBA)**

5) **EXPECTED RESULTS**

At the end of the Round Table it is expected that participants would put into use acquired information, knowledge and partnerships to develop better solutions to the problem of unemployment, particularly youth unemployment. The discussions are also intended to heighten awareness about the very important and pressing issue confronting the Continent. The presentations from the Round Table would be compiled in one final report.

6) **TARGET AUDIENCE**

Target audience will include former decision makers in government, agencies responsible for job creation and youth employment, development partners, academics and researchers, think-tanks, ACBF Board of Governors and representatives from civil society and the media.