

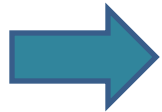
# Youth Employment in Sub-Saharan Africa

Deon Filmer  
The World Bank

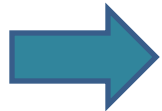
December 2013



# Main Findings



Unemployment (of urban educated graduates who want to work in the wage sector) is just the tip of the iceberg

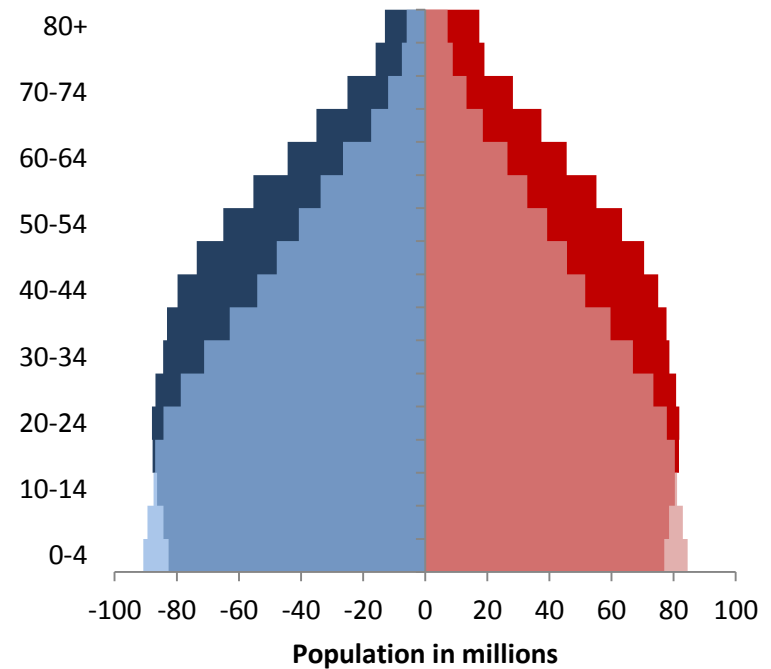
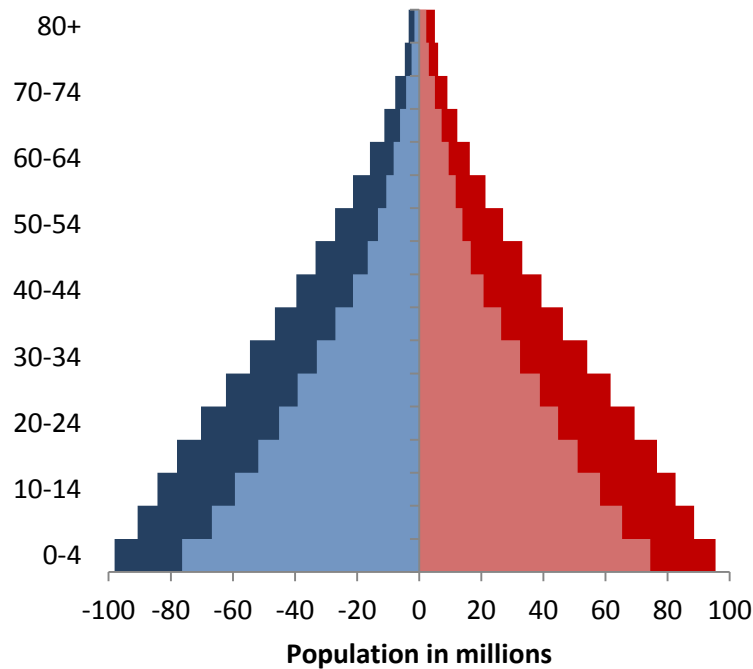


The youth employment problem is about pathways to productive work in **agriculture, household enterprises**, as well as the **modern wage sector**—with priority actions on the **human capital** as well as the **business environment** side

# The Opportunity: Africa's Youth Bulge

Sub-Saharan Africa 2015, 2035

South Asia 2015, 2035

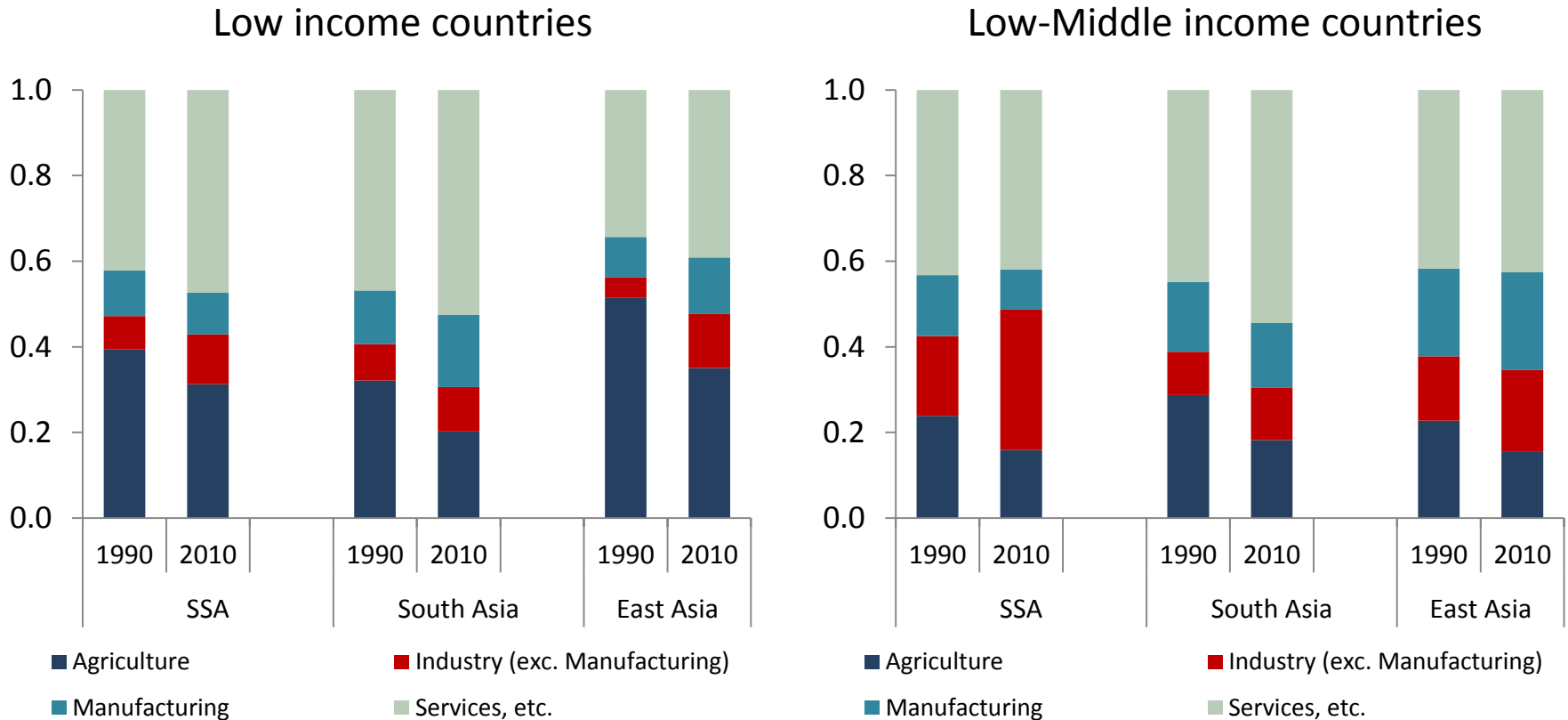


Male 2015 Female 2015  
Male 2035 Female 2035

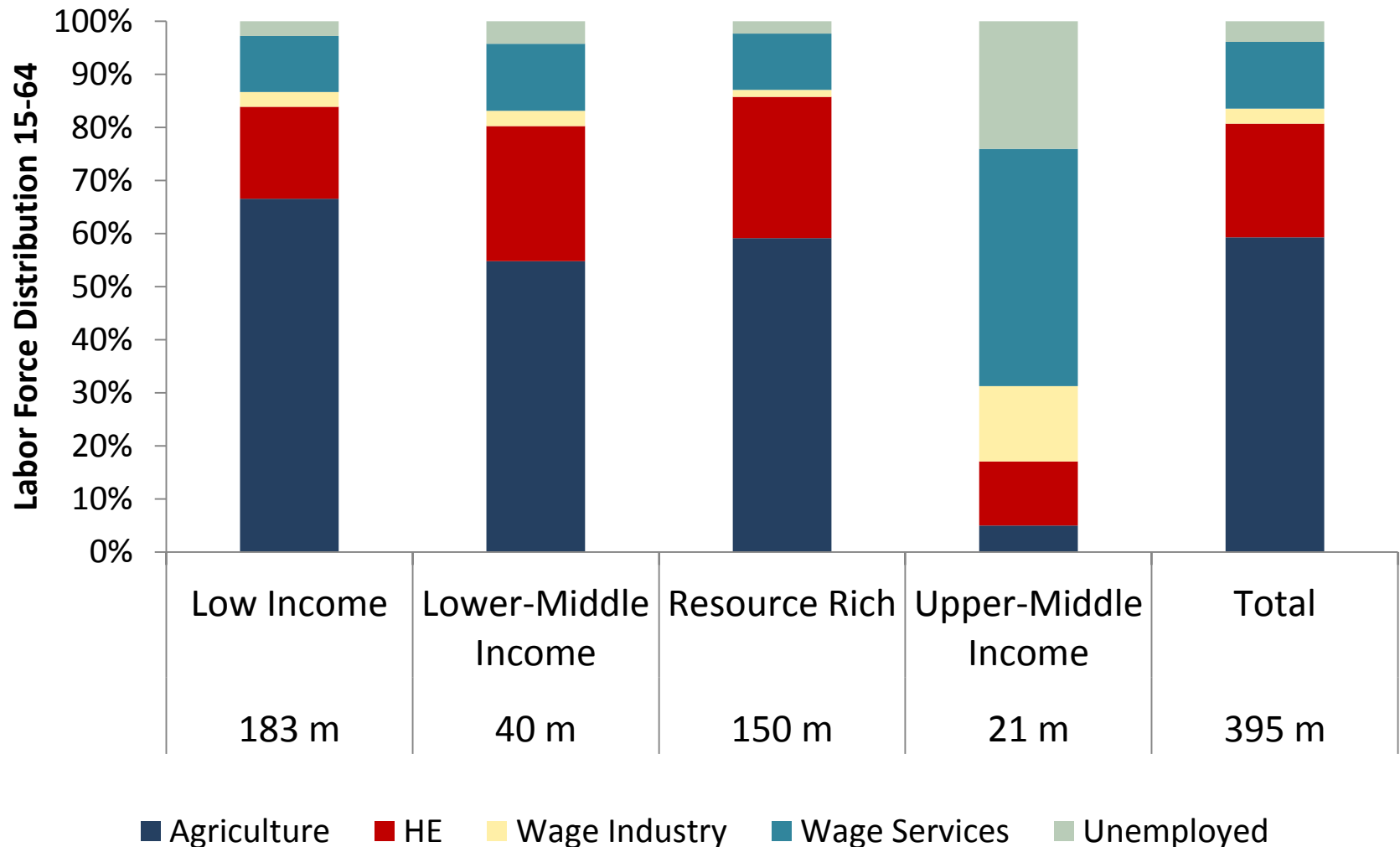
Male 2015 Female 2015  
Male 2035 Female 2035

# Commodity exports have shaped recent changes in economic structure

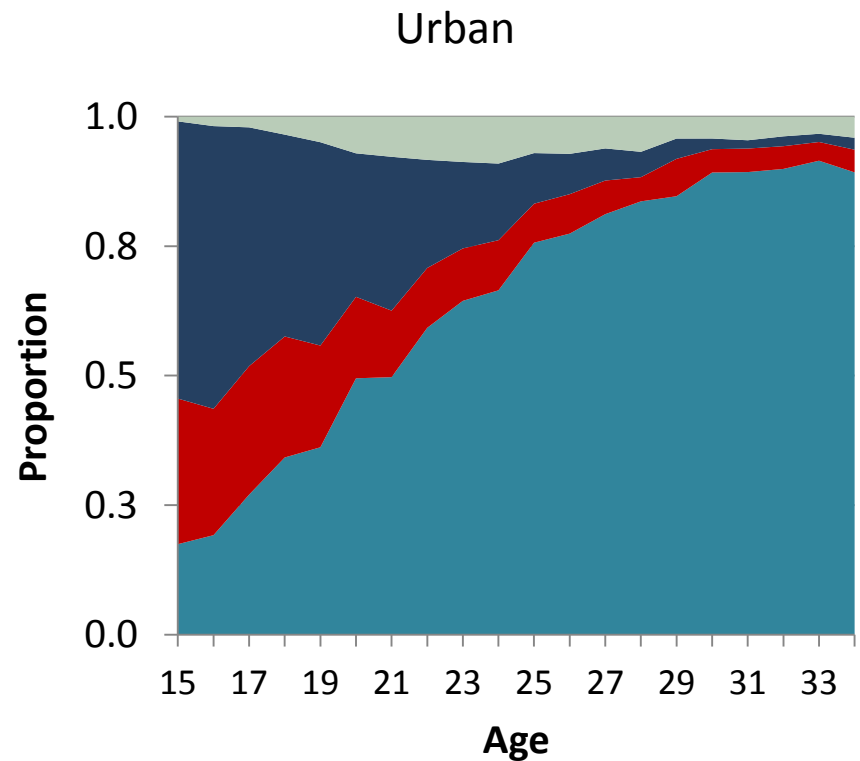
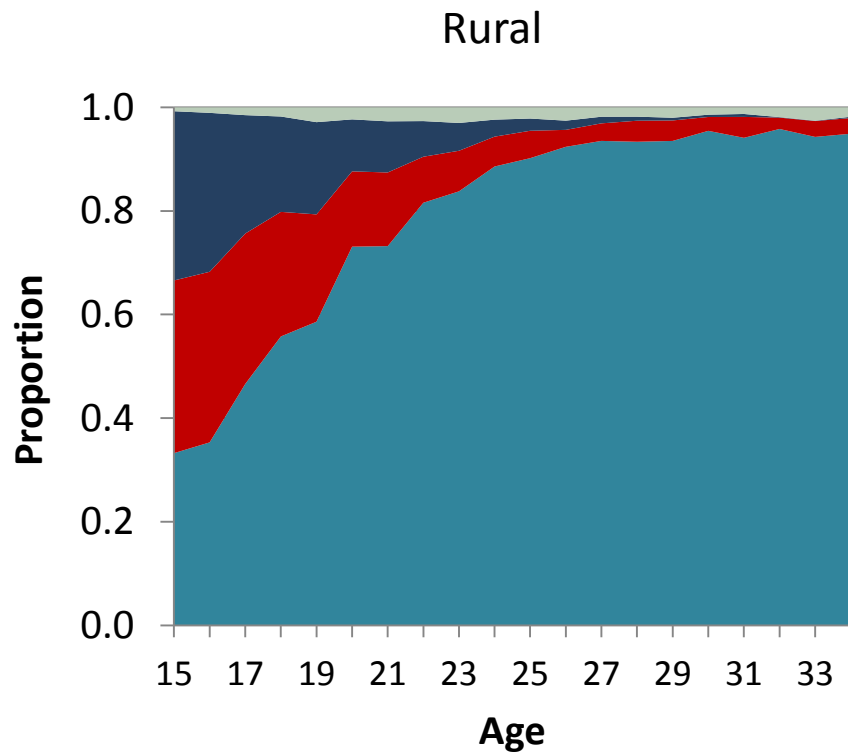
Over the past two decades, agriculture's share in GDP contracted in Africa, but manufacturing did not replace it



# Most Africans are not unemployed – they work in agriculture and household enterprises



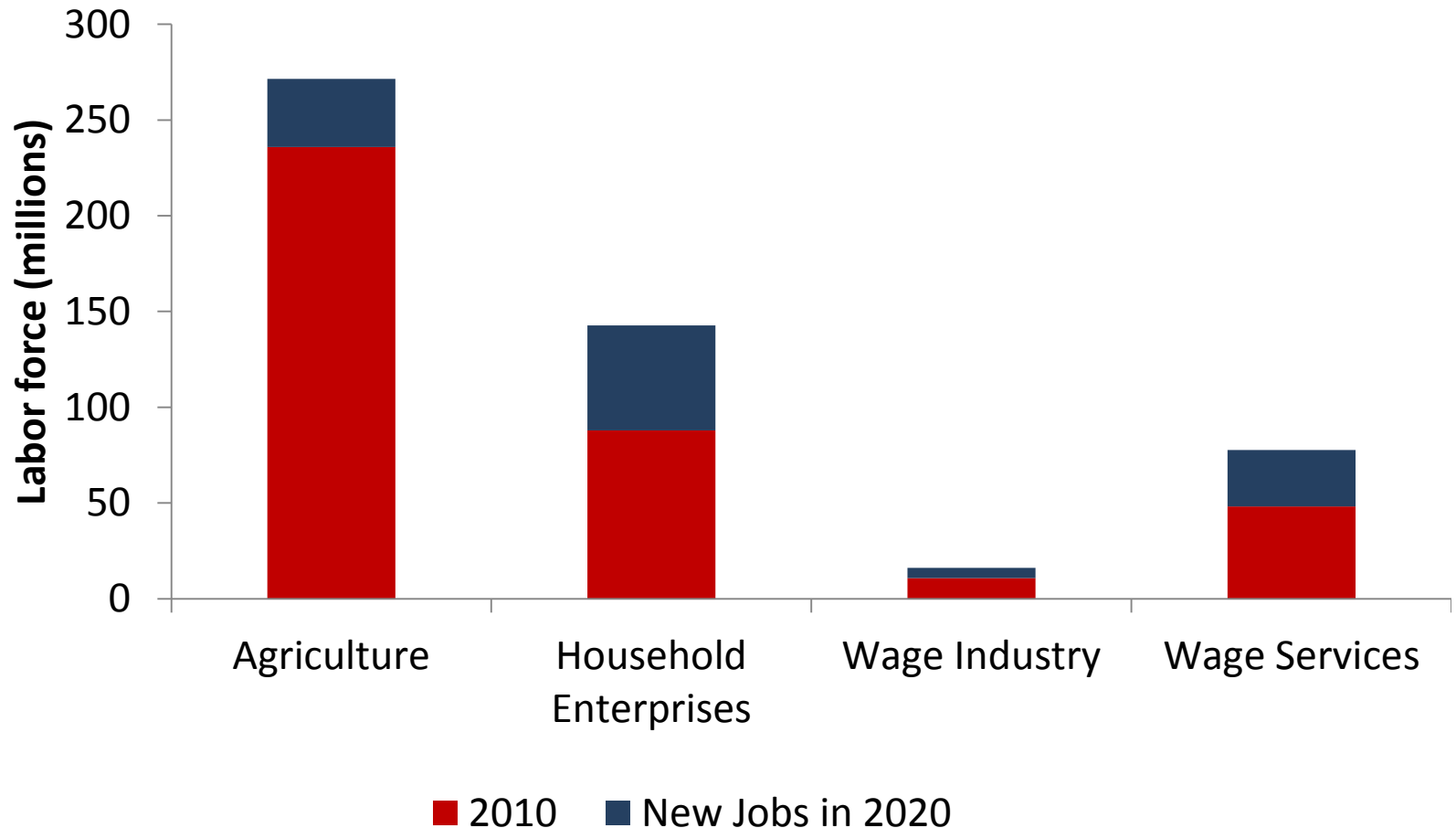
# The SSA Youth Challenge: a long transition to work, especially in urban areas



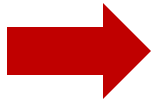
- Working
- At School
- Both Working and at School
- Not at School, Not Working, Looking for Work

# Where will the new jobs come from?

Projected new jobs in 2020 compared with structure in 2010



# Priority Actions

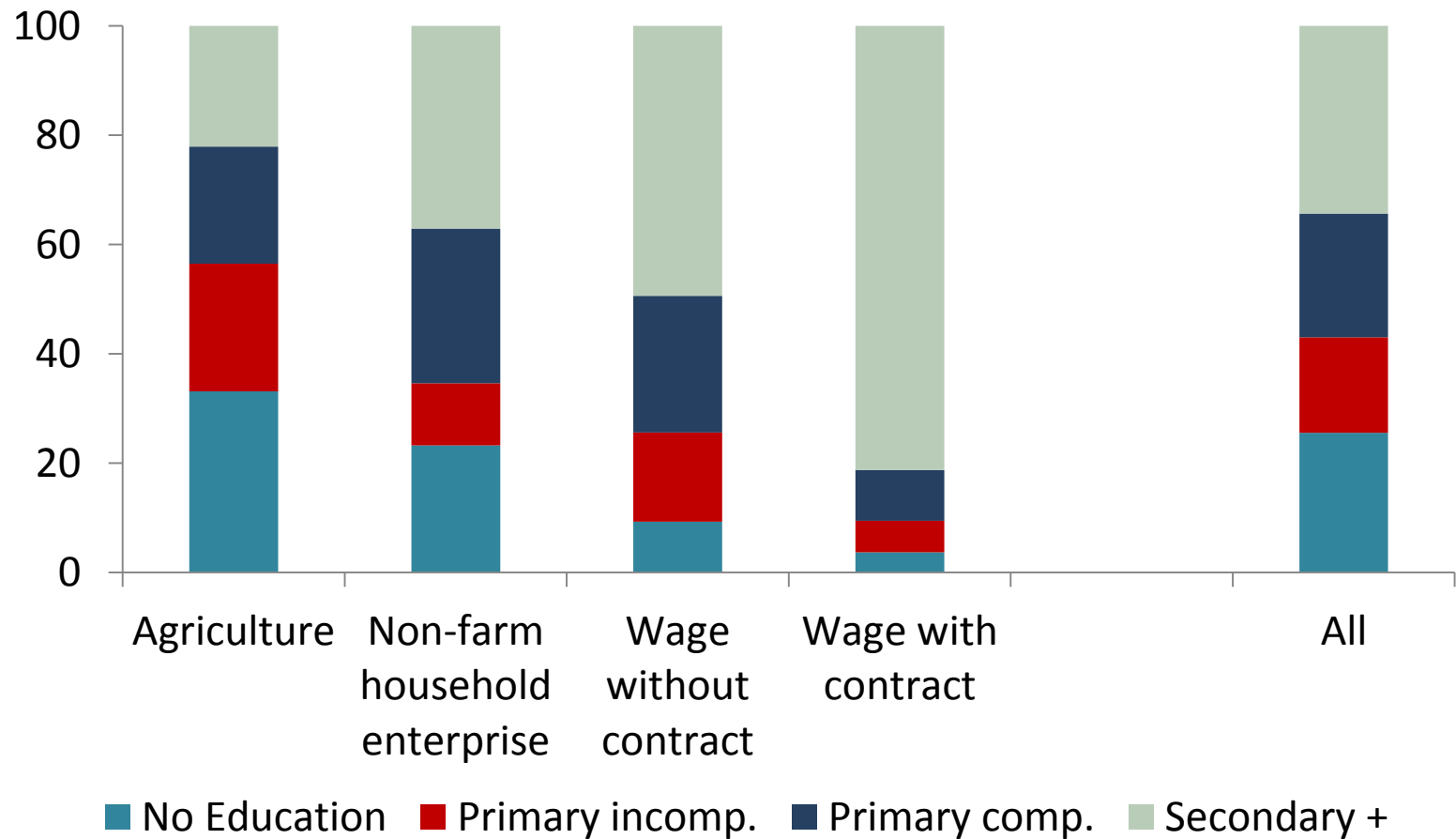


A cross-cutting agenda on education quality



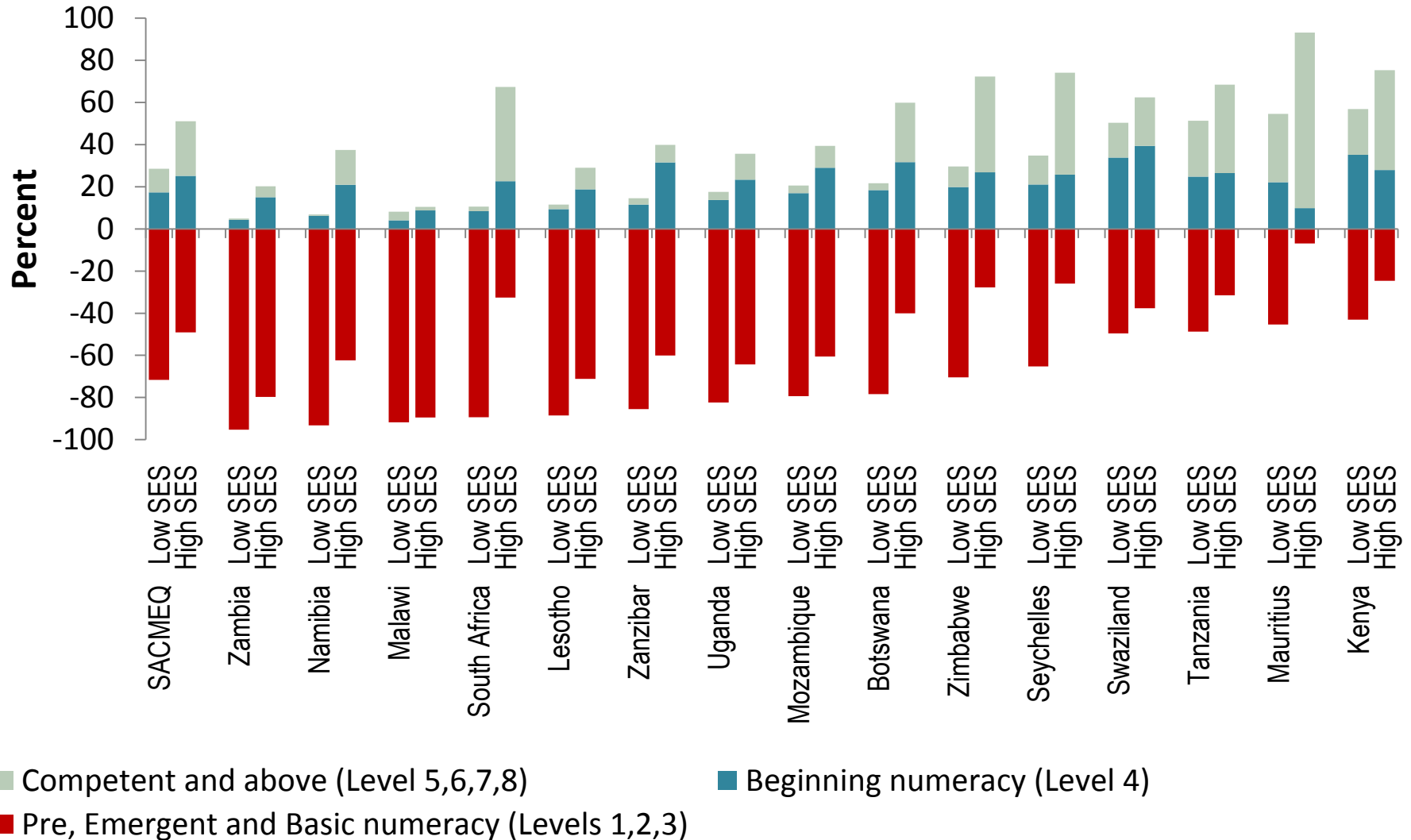
# Education determines opportunities...

Education Profile of Workers ages 25-34 in each Sector



# But quality is key challenge

Percent of SACMEQ 6<sup>th</sup> grade test-takers at each mathematics performance level, by SES



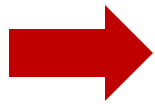
# Severe Shortfalls in the Delivery of Education Services

## *Service Delivery Indicators*

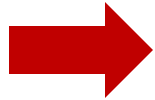
	Kenya	Nigeria*	Senegal	Tanzania	Uganda
	(Public schools only)				
School teacher absence rate	16%	16%	18%	23%	27%
Classroom teacher absence rate	47%	25%	29%	53%	57%
Share of teachers with minimum knowledge:					
English/French	10%	5%	29%	9%	4%
Mathematics	75%	7%	75%	73%	36%
Classroom teaching time	2h 19m	3h 17m	3h 15m	2h 04m	2h 58m
(scheduled teaching time)	(5h 40m)	(4h 43)	(4h 36m)	(5h 12m)	(7h 20m)

\* Nigeria SDI covers 6 States. Preliminary findings shown.

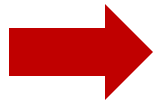
# Priority Actions



For agriculture



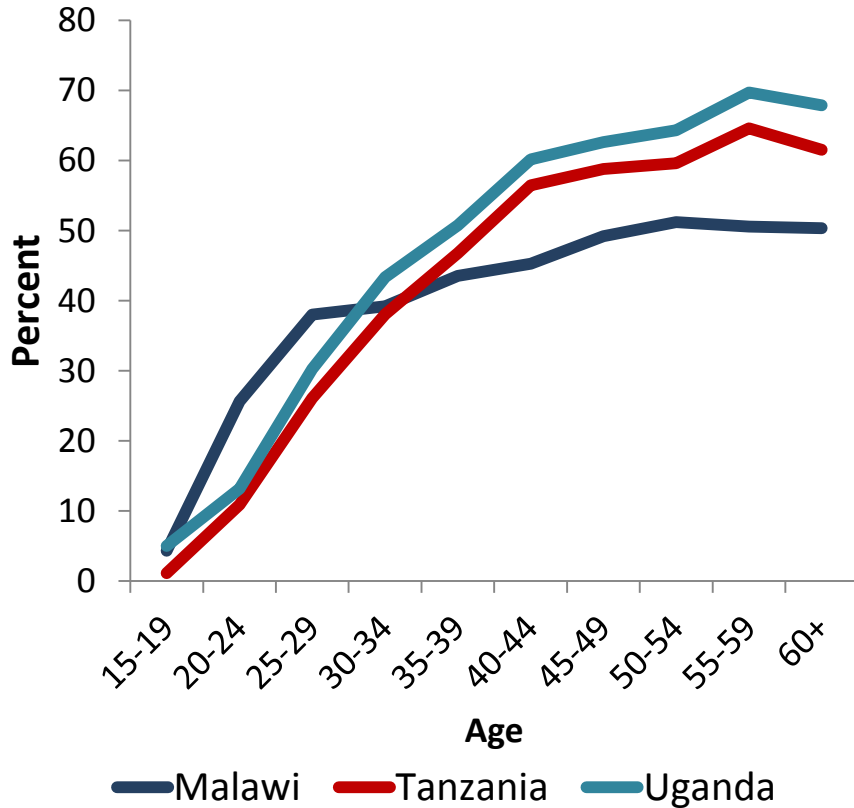
For household enterprises



For the modern wage sector

# In **agriculture**, youth need land and support to make it productive

## Land ownership by age group



## Opportunities and constraints

- Growing demand for food produced on Africa's farms – domestically and exports
- Youth can be early adopters of new technology if it is available

# Priorities for productivity in agriculture

## Do now, for now

- Enable **rental markets** for land
- Support high-quality, **demand-driven extension** services (covering information as well as skills)
- Promote rural **village savings** and loan associations and self-help groups
- Link agricultural **credit to extension** services

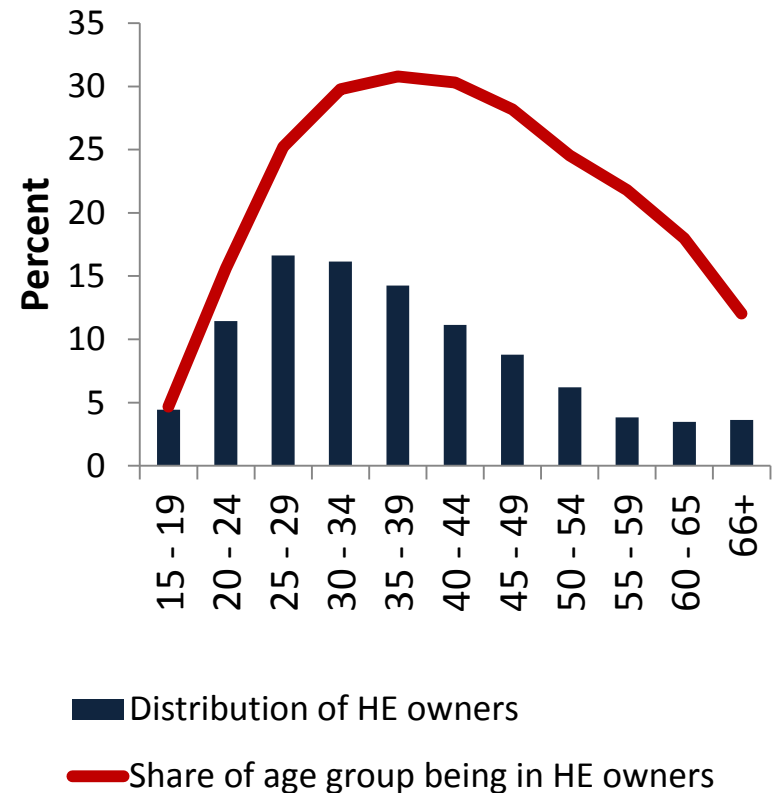
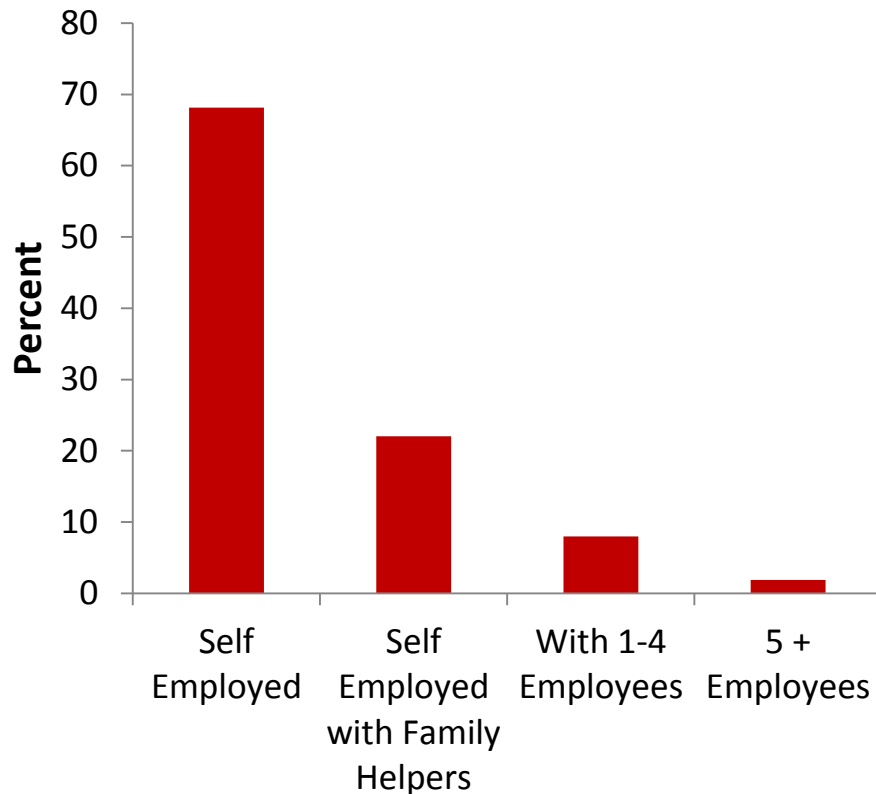
## Do now, for later

- Establish effective **land registration** and transaction systems
- Scale up **intergenerational** land transfer programs
- **Mainstream youth** into interventions (producer organizations, livestock development, irrigation, and others)
- Build skills through rapid improvements in **education systems in rural areas**

# Household Enterprises are not SMEs – they need their own approach, and youth need support to seize opportunities

Most enterprises are family operations

Youth struggle to start a business



# Priorities for productivity in **household enterprises**

## Do now, for now

- Develop a **national strategy** that reflects the voice of youth and household enterprise owners
- Ensure access to workspace and infrastructure for household enterprises through improved **urban policy**
- Leverage NGOs to deliver interventions that support disadvantaged youth to enter the sector by addressing **multiple constraints** (building a range of skills together, building skills along with providing access to finance)

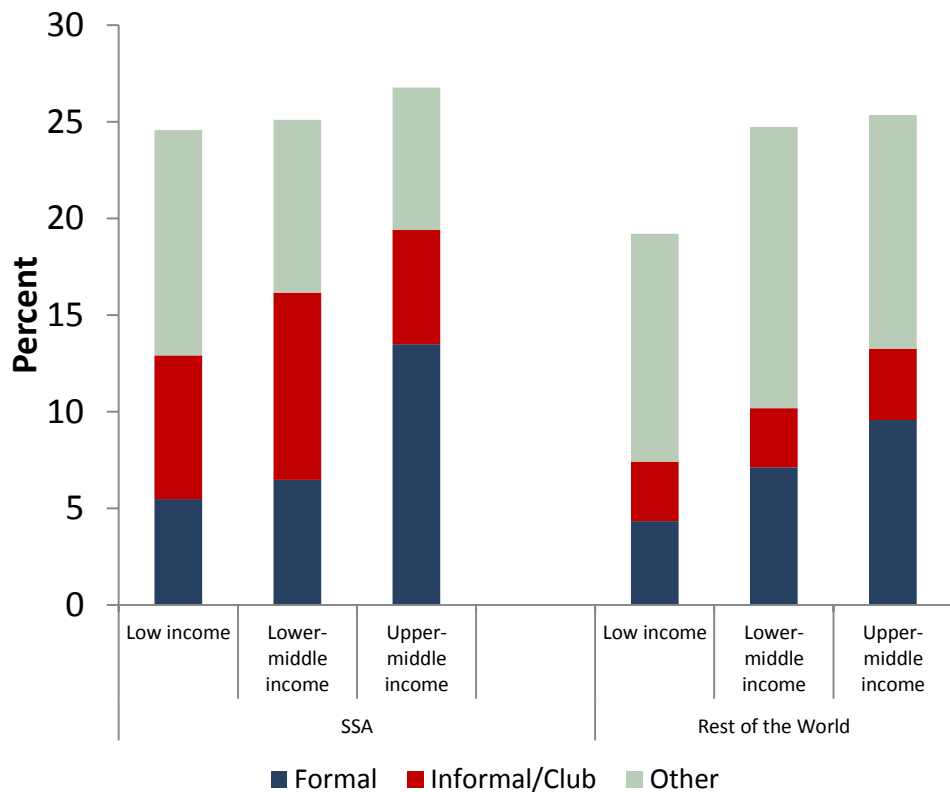
## Do now, for later

- Build **foundational skills** through rapid improvements in education systems
- Address **infrastructure needs** of household enterprises in urban development planning



# Financial inclusion for family farms and enterprises, as well as households

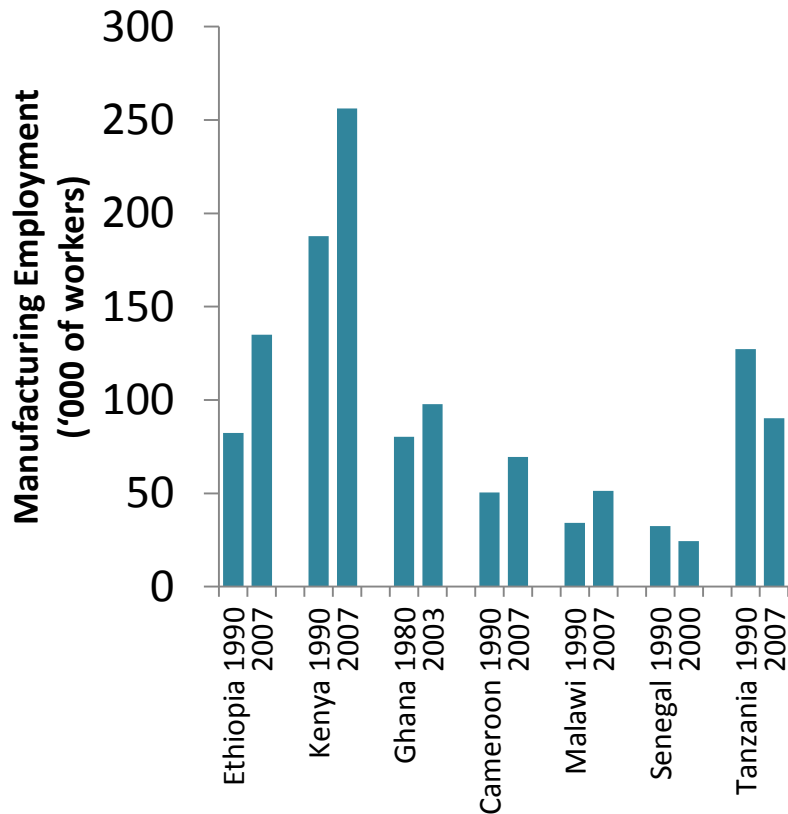
## African youth save, but not in banks (Youth 15-24 who save)



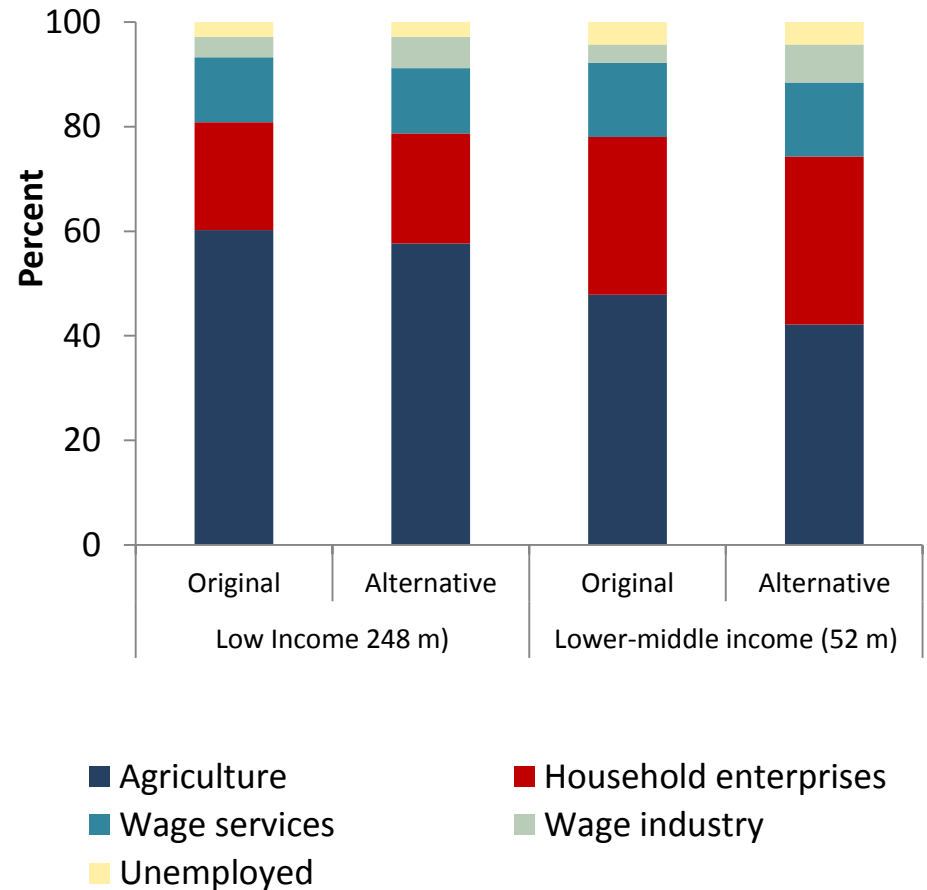
- Households, and farm or business finances comingled
- Households need place to save and to get credit
- Youth need savings to start a business or buy inputs for the farm, and a place to safeguard profits
- Mobile money shows promise but need better regulations
- Informal savings groups are filling the gap, especially in rural areas

# A manufacturing strategy won't solve today's youth employment, but it will help the next generation

Manufacturing employment has grown slowly



“Game changer” scenario takes time to have an effect



# Priorities for productivity in the **modern wage** sector

## Do now, for now

- Reduce the cost of infrastructure services by addressing **quality and efficiency**
- Address **logistics** bottlenecks
- Reduce **corruption** and the cost of business start-up
- Reform technical vocational education and training and pursue **public-private partnerships for delivering demand-driven training**

## Do now, for later

- Increase the **quantity** of infrastructure services
- Expand **regional markets** for products
- Build **foundational skills** through rapid improvements in education systems
- Improve **access to credit** through financial sector reform

# Cross-cutting priorities

## Do now, for now

- Use **safety net programs** as a platform to deliver interventions to disadvantaged youth
- **Increase awareness** of opportunities and pathways to self-employment, especially for young women
- Consider **second-chance education** for basic skills

## Do now, for later

- Promote **ECD and nutrition** to build a stronger foundation for skills development
- Build **socioemotional and behavioral skills** (consider reforms within the school system)
- Reduce **fertility rates** to lower the size of future youth cohorts
- Build **better employment data** and a **stronger evidence base** to identify country constraints, priorities, and opportunities

# Some evidence from recent **impact evaluations** in Africa

- **Addressing capital constraints:**
  - **Cash Grants** delivered to youth groups led to investments in capital and training and large increases in income.
- **Building a range of skills:**
  - Training providing either **business and life skills**, or **technical and life skills** increased employment and income among adolescent girls.
  - Provision of **training in technical and life skills** targeting adolescent girls was highly effective in reducing risky behavior and increased self-employment.
- **Integrated intervention addressing multiple constraints:**
  - “Graduation” model including **cash transfers, assets and training** being piloted in 10 countries (including in Ghana and Ethiopia) is showing promising early results.

# Strategic efforts to build the evidence-base through **impact evaluations**

- Optimal design of **integrated employment programs**
  - In Kenya, what is the relative effectiveness of internship and skills training in improve young people's employment prospects?
  - Is training in technical, business and life skills more cost-effective than training in technical skills only to foster employment and earnings among urban youth In Sierra Leone?
  - In Nigeria, is it cost-effective to add an apprenticeship to a package of technical skills training and capital delivered to vulnerable youth?
- **Graduation from safety nets** targeted to the poor:
  - In Cote d'Ivoire, can training in business skills or sensitization to wage employment opportunities help disadvantaged youth graduate from public works into self-employment or wage employment?
  - In Cameroon, can accompanying measures to cash transfers program foster household enterprises?
- **Leveraging private skills training**
  - In Benin, what are effective strategies to help young apprentices graduate and enter self-employment faster?
  - In Cote d'Ivoire, does the public provision of apprenticeship displace private apprenticeships?

# Governments need to **own the “whole” problem**

**A wide ranging  
agenda ...  
with no silver  
bullets**

YE is about building skills through improving the ***quality of education***, as well as behavioral and business skills

YE is about ***agriculture*** – where strategies exist but have not been implemented, and could benefit from a youth lens

YE is about ***household non-farm enterprises*** – where few strategies exist

YE is about creating more ***labor intensive enterprises*** as fast as possible to absorb the supply of new entrants with education who want wage jobs

YE is about female empowerment and focus on the poor

Thank you

