Youth Employment in Sub-Saharan Africa

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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

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.

![Bar charts](chart.png)

**Low income countries**

- **SSA**
  - 1990: Agriculture 0.4, Industry 0.2, Manufacturing 0.1, Services 0.1
  - 2010: Agriculture 0.3, Industry 0.3, Manufacturing 0.1, Services 0.3

- **South Asia**
  - 1990: Agriculture 0.5, Industry 0.2, Manufacturing 0.1, Services 0.2
  - 2010: Agriculture 0.4, Industry 0.3, Manufacturing 0.1, Services 0.3

- **East Asia**
  - 1990: Agriculture 0.6, Industry 0.1, Manufacturing 0.1, Services 0.2
  - 2010: Agriculture 0.5, Industry 0.2, Manufacturing 0.1, Services 0.2

**Low-Middle income countries**

- **SSA**
  - 1990: Agriculture 0.5, Industry 0.2, Manufacturing 0.1, Services 0.2
  - 2010: Agriculture 0.4, Industry 0.3, Manufacturing 0.1, Services 0.3

- **South Asia**
  - 1990: Agriculture 0.6, Industry 0.1, Manufacturing 0.1, Services 0.2
  - 2010: Agriculture 0.5, Industry 0.2, Manufacturing 0.1, Services 0.3

- **East Asia**
  - 1990: Agriculture 0.7, Industry 0.1, Manufacturing 0.1, Services 0.1
  - 2010: Agriculture 0.6, Industry 0.2, Manufacturing 0.1, Services 0.3
Most Africans are not unemployed – they work in agriculture and household enterprises.

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Labor Force Distribution 15-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income</td>
<td>183 m</td>
</tr>
<tr>
<td>Lower-Middle Income</td>
<td>40 m</td>
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<tr>
<td>Resource Rich</td>
<td>150 m</td>
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<tr>
<td>Upper-Middle Income</td>
<td>21 m</td>
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<tr>
<td>Total</td>
<td>395 m</td>
</tr>
</tbody>
</table>

- **Agriculture**: navy blue
- **HE**: red
- **Wage Industry**: yellow
- **Wage Services**: blue
- **Unemployed**: green

The chart shows the distribution of labor force by income level.
The SSA Youth Challenge: a long transition to work, especially in urban areas

Rural

Urban

- 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

- Agriculture
- Household Enterprises
- Wage Industry
- Wage Services

Labor force (millions)

- 2010
- New Jobs in 2020
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 6th grade test-takers at each mathematics performance level, by SES

- Competent and above (Level 5,6,7,8)
- Beginning numeracy (Level 4)
- Pre, Emergent and Basic numeracy (Levels 1,2,3)
# Severe Shortfalls in the Delivery of Education Services

*Service Delivery Indicators*

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

* 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