

# Position Paper on Skills Development for Youth and Women Employment



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## Foreword

The 26th Session of the African Union Summit and the 20th AU Assembly decision, endorsed the African Rural Development Forum (ARDF) as the continental platform for innovative thinking on African development pathways. NEPAD Agency envisions rural transformation to be people centred based on equity and inclusiveness where rural men and women can develop their potential and reach their aspirations including income security whilst securing environmental sustainability and where all territories in a country can express their development potential and none of them persistently marginalized.

The Rural Futures Programme therefore facilitates new thinking and broad agreement with respect the vision, strategies and plans for rural economic development and the reduction of rural poverty and inequality. The Programme is based on the understanding that the rural economy including agriculture is a vital and central component for structural change.

In our approach to tackle youth employment, especially to support to the implementation of a comprehensive continental Rural Futures Programme and provide evidence-based recommendations to national governments to enhance job creation and harness skills development opportunities in Africa particularly in the rural space, the NEPAD Agency carried out a skills audit on skills development and job creation in 10 selected African countries<sup>1</sup>.

The country studies assessed the different programme structures, financing arrangements, employability and successful integration of graduates into sustainable jobs and addressed the emerging issues and their influence on overall skills development particularly in the agriculture sector. Strategic to NEPAD transformation vision in this study was the aspect of the high growth potential of green economy related jobs as a result of increased climate change regulation and the need to develop energy efficient and renewable resources to replace traditional biomass source of energy that has negative impacts both on health as well as on ecology (deforestation).

The paper defines strategic directions focused on skills development for youth employment and women and that will be discussed at the 2nd Africa Rural Development Forum to be presented to African policy makers at the AU Summit in January 2017

NEPAD Agency acknowledges the support of the German Development Cooperation (GIZ) through its Program the Support to Africa Agriculture (CAADP) for the study in the 10 countries



<sup>1</sup>Nigeria, Cameroon, Uganda, Zambia, Benin, Ghana, South Africa, Togo, Burkina Faso and Malawi

## Introduction

NEPAD is organizing in 2016 as part of its Rural Futures Initiative, the second Africa Rural Development Forum on the theme “Transforming Africa’s Rural Areas through Skills Development, Job Creation and Youth Economic Empowerment.”

In preparation for this event, ten case studies in different countries were conducted to better understand a particular aspect which is the development of skills in the employment service. This issue is directly connected to that of rural transformation that can take place in a balanced way only if young people and women are prepared for the jobs that structural change imposes and where they could flourish. This paper defines strategic directions focused on skills development for youth employment and women and that will be discussed at the Forum to be presented to African policy makers at the AU Summit in January 2017

## BACKGROUND: CHALLENGES OF YOUTH EMPLOYMENT

Africa is the youngest continent of the planet. It is also one of the regions of the world whose GDP has grown more quickly over the past fifteen years. However; this increase is often referred to as “jobless growth”. It has been less inclusive for the poor than in other regions<sup>2</sup>. Also, it did not alter the trend to exclude even more women<sup>3</sup> and has not enabled young people to find a better place than their elders, in any countries.

The population continues to grow at a sustained pace; which means a high increase in the number of young people on the job market. Today, 77 million children are born every year who, in 2030, will potentially be 15 years old, the theoretical age to work. Already, each year, each African country has more than 600000 young people reaching this age to qualify for a job. In 2050, the population of the working age, with 1.5 billion individuals, will have more than doubled compared to 2015.

Young people are more affected by unemployment than senior people: while they represent the two fifths of the population at working age in Africa, they represent the three-fifths of the total unemployed people. Even in comparing the middle-income countries between them, one finds that ‘in Africa, the unemployment rate of young people in relation to that of the adults is more important than in any other region of the world. But mostly they are the ones who occupy most of the time by default, more of the very precarious small jobs; thus escaping to the statistics of job seekers. Indeed, paradoxically, the unemployment figures released by the ILO do not seem to be alarming at first in Africa since the average unemployment rate in Africa is even lower than in the majority of the regions of the world with 9%. In the low-income countries, this rate is even calculated to 3% (WB 2014). But this does refer in fact to a reduced fringe of the active population, essentially the same that has or is intended to have a formal employment and which represents only 28% of the active population<sup>4</sup>.

The most significant figure is that 63% of employed workers, often vulnerable, are in the informal sector. Despite their occupation, it was estimated in 2011 that 81% of African workers were poor workers (ADB 2012). Precarious jobs, and therefore poor young workers, are in lower-income countries, whereas, in middle-income countries, young people can more easily find alternatives to live without work - social protection more developed for instance - rather than engage in employment in the informal sector which more likely to be poorly paid.

Everywhere, the situation of women is more unfavourable than that of men with higher unemployment rates of 2 percentage points and a stronger representation in precarious jobs and under-employment.

The demographic dynamics is therefore an emergency to create jobs. The growing number of unemployed, in particular among young people, is not only an economic issue but represents a threat to the social stability of the continent and beyond. Recently, many young people in urban areas have rebelled against their condition

<sup>2</sup>An increase of the average per capita consumption of 1% in Africa has helped to reduce the level of poverty to 0.69%, whereas elsewhere in the world, the average reduction was 2% (World Bank 2013)

<sup>3</sup>97% of women occupy a vulnerable employment and the share in the active population, men at working age is 74.2% against only 24.2% for women (UNIDO 2013)

<sup>4</sup>The unemployment rate is defined as the fact of having no employment for at least seven days and to be actively involved in the search for employment (ILO 1982) which notably excludes all persons under- employed.

and against their rulers. The economically marginalized youth have manifested their discontent first in cities and then some have swayed the rural youth in their protests with other forms of action. The employment issue, in fact, does not only affect capital cities, the majority of young people still live in the countryside or in secondary cities and are subject to chronic under-employment.

## RENEWED APPROACHES TO JOB CREATION

A policy in favour of employment in Africa must take into account of the specificities of the economic and social structures. The seven principles of action are defined for a resolute action for Africa.

### *Act on two fronts to stimulate employment: growth and professional integration*

It was agreed that the creation of employment is more the indirect result of a growth dynamics than a direct action of the authorities in the provision of jobs; but in the face of the magnitude of the challenge, we must recognize that only a determined action and a policy strongly oriented in favour of activities that generate decent jobs will influence the current trend toward a more inclusive growth.

This public action will therefore have two main components : (i) stimulate a demand for labour likely to be supplied mainly by young people and women ; (ii) improve the supply of skills to meet the requirements of employers or of the creators of enterprises (whatever their statutes).

### *Differentiate between the approaches, depending on the status of the countries and their specific constraints*

The employment structure is different according to the types of countries; which calls for differentiated strategies. In low-income countries, the informal sector is very largely majority where it occupies more than 80% of jobs and the public sector represents a reservoir of paid employment equivalent to that of the private sector; the quality of these jobs can therefore not be neglected. The industrial sector of these countries represents only 3% of the total jobs (WB 2014) while agriculture predominates. In the countries in the superior category with intermediate income, the employees in the services and the industry sector are in contrast in the majority in terms of the total number of jobs. These reports between sectors must be considered in a dynamic approach where certain activities regarded as archaic may be carriers of growth for the jobs they induce upstream and downstream, like agriculture. Unlike structured sectors and in global context may be declining in terms of reservoir of employment, in Africa agriculture with its high intensity in Africa offers opportunity for employment.

### *Build on the comparative advantages of the youth*

Young people have the benefits over other categories of ages of workers from several points of view. Firstly, at equivalent qualification level they are often more dynamic and therefore more effective and are often cheaper. But above all, in a world that moves quickly, they have an openness to novelty, to technological innovations and greater freedom than their elders from social and cultural shackles which enables them to better develop an entrepreneurial spirit. Some sectors benefit from a technological leap (Leapfrog) based on the accumulation of knowledge and skills rather than infrastructure; the technological knowledge prevails: this is the case of ICT, Finance jobs and most of the services but also the case of many innovations in green economy which is often based on smaller decentralized technologies (local productions of clean energy, recycling and treatment of waste, regeneration of biomass). Young people have an advantage in the application of new least demanding know-how in physical capital and human capital.

### *Act with the informal sector*

The formal sector remains the exception in sub-Saharan Africa. The employees are in the minority, since they represent only 16% of those who work<sup>5</sup>. We can even say that the demographic growth coupled with the current productive structure will encourage the majority of new workers to begin in the informal sector and to spend the majority of their professional life. In sub-Saharan Africa, the informal economy will always be the norm even by 2020<sup>6</sup>. The most economically rational is therefore to stimulate the increase in productivity in the

<sup>5</sup>Given BM 2014 concerning persons receiving a regular salary

<sup>6</sup>According to a simulation carried out by the World Bank on the basis of the Asian experience



informal sector, knowing that in all likelihood, two decades will be needed for the change in the employment structure to change the Outlook for youth.

### *Integrate the role of the public sector into the job supply and the regulation of the skill supply*

It is clear that taking into account the demographic growth, the part of employment opportunities in the public sector will decrease compared to those of the private sector. At the same time, after structural adjustments, one can consider that employment within administrations have reached its low level and therefore economic growth will make the firms to be more demanding towards administrations in terms of public services, both in the areas of health, education, spaces, infrastructure management, provision of public goods in general and in terms of regulation and economic governance. In absolute terms, employment in the public sector must grow and even become an important component of the creation of technical jobs.

### *Promote public-private partnerships for training to promote employability*

It is in the interest of employers in the private sector to anticipate the future needs of their businesses and that they are in the best position to identify. To continue to innovate they must be involved in the definition of training orientations, be critical on content and make their contribution to the practical implementation of the Qualification Course. The interactions between academic staff and staff of enterprises for the theoretical training as well as the mobility and training opportunities by alternating (shared between work in business and academic institution) must be promoted. Platforms of common reflection on the trends of the labour market between employers, administration, educators and organizations of young people and women must be promoted everywhere.

### *Develop multi-sectoral strategies and improve management*

The initial training, the continuous training, the support for sectors of niches and for labour-intensive growth areas, the piloting of employment policies require effective coordination between the administrations concerned: education, economy and finance, planning, and sectoral ministries, in coordination with the representatives of the civil society.

The encouragement to implement strategies linking training with insertion provisions for young people through accompanying measures in view of integration or employability will result in the proliferation of programmes, sometimes with the support from external donors; which requires strong leadership of our country. Finally, if young people now seem privileged in employment strategies - for obvious political and social reasons - it is not always true that this is a global social advantage compared to an undifferentiated policy for all workers, namely with regard to social welfare and public works: only a multi-sectoral thinking and improved statistical arrangements will enable the interrelationship between the different options that are more efficient.

## **COURSE OF CONCRETE ACTIONS IN FAVOUR OF THE INTEGRATION OF YOUNG PEOPLE AND WOMEN**

To stimulate the demand for workforce likely to be provided by young people and women, actions must be promoted and which are based on the realities and perspectives of development of economies. The recent Africa's growth was achieved on the basis of the exploitation of natural resources because it benefited from competitive extraction costs but which grow over time. Conversely, the agricultural sector which employs the majority of the workforce remains largely badly considered and neglected. Yet services to a modernizing agriculture and agri-food processing - are a source of significant employment in Africa. Also, in the current situation, services create more jobs than industrial sectors and offer opportunities for which young people had a comparative advantage over their elders. Finally, in the medium term, industries will eventually find their place in the landscape.

### *Prioritize efforts in favour of a conducive economic environment for business*

States must intensify their efforts to fulfil their commitments to budgetary expenditures in infrastructure and

research and development, education, access to water, sanitation and energy. These efforts should if possible be oriented toward green solutions, in particular by contributing to efforts for adaptation and mitigation of climate change and the preservation of resources including water, forests and agricultural soils. Good economic governance, in particular the consultation, the predictability, the transparency of political decisions are prerequisites.

### *Value entrepreneurship*

Entrepreneurship must be promoted as a solution not to decline but economically profitable and socially valued. The integration of independent workers and businesses must be supported in the areas identified as carriers of employment. This support will take the form of direct financial assistance, funds of guarantee or participation, improvement of the regulatory framework for the equity capital market, for the protection of property, respect for the business law, and the law of business applicable to different statuses.

### *Recognize and protect the informal sector*

The informal sector, craft or agricultural must enjoy protection in respect of the property and the rules of trade taking account of the abuse and the absence of recourse to the opportunity of fraud of which they are victims on transactions and contracts. The mobility and flexibility of enterprises in the informal sector must be taken into account in the recognition of their economic role even if, for example, they do not have a stable place and while many people are paying tax.

### *Support services available to companies*

Services to businesses must be the subject of special attention from the States. The services to direct impact on the production must be able to benefit more favourable tax regimes when we know that the non-financial services to businesses would increase by two-thirds the rate of achievement of a company and that this rate would be even higher for the start-up led by young people.

### *Promote sub-regional industrial policies*

The industrial policies volunteers, thought at the sub-regional level and generating, for certain regional economic communities, the trade provisions approved in common, must allow to promote the establishment of businesses likely to change the trend of de-industrialization.

### *Differentiate facilities in favour of young people and women.*

Loans are difficult to be granted to young people and women because of the lack of the physical collateral and the unfavourable assessment of their lack of experience for the first and of their lack of legal authority for the latter. The status of the land is often a constraint, especially in rural areas, not allowing access to the property. Even the movable guarantees are difficult to establish in patriarchal regimes where the outcomes of the work are subject to the control of the elders. The formal right must not only promote the protection of property but also the places according to standards protectors for the different parties, as well as rural land tenure and urban areas for commercial activities.

## **PRACTICAL WAYS FORWARD TO IMPROVE SKILLS**

Access to education and training qualification really still remains a challenge. The new generations of Africans seem more educated than before better access to education systems. Yet, the outcome of skills acquisition show gaps at alarmingly high rates. Professional Training at the secondary and post-secondary school costs three times more expensive

to put in place than secondary education which currently does not guarantee a better rate of integration in the labour market. Also, the dominant orientation of university courses in Africa corresponds badly to the requirements of the technological world current. Africa is the region of the world producing the highest proportion of graduates in social and human sciences at the university level and the lowest for the engineers (4% against 20% in Asia).





Trainings are not optimal, the curriculum does not always follow the rapid technological advances of society and the theory is too far from the actual business issues. A focus is needed on professionalism training.

### *Enhance technical and vocational education and make it more attractive*

Technical and vocational education suffers in general from a negative image, or may not, for obvious reasons of cost, be generalised. It results in a harmful disaffection in the light of the opportunities provided by such training and compared to the outputs of the general system without a diploma. A challenge for technical education and its revaluation is to recruit trainers of quality, both rooted in the realities of the companies, but also with a solid background of training. The reorientation towards the most promising training must be attractive in making these curriculum less expensive and therefore by reversing the logic of offer and demand that would decrease its costs because they are most requested.

### *Close the gap between skill supply and businesses' needs*

Companies are generally quite critical in their judgement on the adequacy of training for their needs. Countries must often revise the education programmes to better match the skills demanded by the market, in particular by strengthening the curriculum in technical matters, and in Mathematics and Computer Science at senior levels. In all sectors there is a demand for intermediate qualifications in accounting and skills related to digital but also for cross-sectional qualifications in interpersonal communication, the exercise of the profession in different cultural contexts, the management of the time, the leadership, the respect of social standards and businesses, and the relationship with customers.

### *Adapt the training and mechanisms to local contexts*

Trainings are sometimes, offered from international models and do not take into account the specificity of the local contexts in particular as regards the social and cultural factors. In addition to the rebalancing of the areas of training and courses thought, work need to be done, and in a synergistic way between countries of the same regional economic community, on the pedagogical methods and references.

### *Establish connection between research-training-enterprises*

Research institutions must be involved in the dissemination of knowledge within the institutions of research to complete the lessons of basis provided by the professionals of the training and to refresh the knowledge of the latter in cutting-edge fields. If this is often practice at the level of tertiary education, it should also be applied at the level of technical education in particular by mechanisms of targeting of learning taxes.

### *Impose learning as a means of internship*

The legislative framework must compel businesses, according to their category, to create jobs for learning and training places by alternating according to the ratios negotiated with trade unions and employers' organisations. Public enterprises must be included in the obligation to provide places for apprentices.

### *Adapt quality control of traditional learning*

Traditional learning has of the virtues of flexibility and adaptation. However, one of the limits is that these systems tend not to take into account the developments of professions and only meet the immediate needs of guardians. Also, these forms of learning play an important role, particularly in the countryside, in the social recognition when they allow to acquire the status of a member of a respected corporation within a community. That is why it is necessary to create that forms of regulation and a dialogue with the associations of the informal sector to be established so that apprentices get out of their way with qualifications recognized nationally or at the level of a REC.

### *Improve coordination around training needs*

States must put in place mechanisms for interdepartmental coordination on training where the issues of



incentives for the creation of training centres, to the learning, the respect of the right of labour to the hiring of young people and women, to the continuous training will be discussed. Representatives of the employers' organisations, trade unions, academic representatives and organizations of young people and women would be associated.

### *Improve placement and recruitment mechanisms*

Frictional unemployment takes significant proportions in Africa. The functioning of employment agencies must be modernized in the countries by equipping them with trade systems, taking into account the new ICT media and encouraging the performance of agents with financial incentives related to the outcome.

### *Develop programmes involving young people and women in new activities*

The programmes supporting the creation of enterprises by young people have had more success than those aimed at their insertion in existing companies. The strategies and most promising programmes are those that combine the provision of specific technical skills, the acquisition of business skills and management, and the training in personal and relational development. The combination of aid measures with the implementation in the form of a grant, loan, seed capital or constitution of groups of savings and credit are an asset for the success of these programmes. These programmes will be much more effective if they are part of a coordinated strategy and not as an opportunistic adoption of proposals dispersed of various donors.

The employment issue is not primarily an issue of the quality of skills in low-income countries and of quantity in middle-income countries. Explaining the issue does not consider a dynamic approach to employment in Africa where the predominance of a sub-precarious employment in the informal sector for the countries not having begun their processing results as much of the weakness of an economic fabric than systems of skill development and where huge unemployment in countries which have begun their structural change reflected by the inability of economic actors to participate and accompany the improvement of the system of professional qualification. Targeting marginalised players that are young people and women

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