

Transforming Africa's Rural Areas through Skills Development, Job Creation and Youth Economic Empowerment: The youth of the Africa have the potential to change the course of history.

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INTRODUCTION

Meaningful economic transformation remains a major development challenge in Africa. Africa's high economic growth rates have not translated into high levels of employment and reductions in poverty for the youth and those in the rural areas of our continent. We now know and believe that Africa's fight against poverty, hunger and unemployment will be won or lost in rural arrears. And that is what frames the rural transformation strategy and agenda for Africa.

The AU/NEPAD Rural Futures strategy and agenda for Africa is about driving every nation and the continent towards full employment in both rural and urban areas.

The rural areas are however lagging behind and governments have to realize that the only way to break this structural dualism is to re-direct the whole national economy to drive the rural economic transformation.

This is the experience all newly wealthy nations, as the most effective means of expanding the domestic market of own population whose incomes and purchasing power is growing. With out a growing domestic market in terms of ever-growing numbers of rural and urban people whose income is growing, then it is difficult to escape structural poverty through an outward looking economy.

Experience of newly wealthy nations is also that the role of the State in such transformation is central. Moreover, the state has to promulgate policies and legislation that effectively reforms the public expenditure architecture in favor of rural transformations -as the surest means of achieving sustained development, spatial and social justice.

African countries fall mostly into low and middle-income group, but all have a dualistic economy, low growth rates and with increasing equilibrium rates of unemployment and

poverty that are deeper in rural areas. The narrow domestic market base means that countries have to depend on ODA, external financing and trade. There is also limited economic convergence between rural and urban areas, and therefore product and factor markets are not integrated. The narrow domestic market translates into a narrow tax base -and therefore there is a limited capability and reach of the developmental state.

Africa has therefore deviated from standard processes of structural transformation in that Africa is experiencing urbanisation without manufacturing jobs. Urbanization should typically be a consequence of economic growth, not lack of it. As a general conclusion, unemployment and poverty are ***structural*** not ***temporary***; and this is ***not mostly self-correcting***; there is need for ***Big Push policy interventions***. That is the reality that informs the AU/NEPAD Rural Futures strategy.

From evidence, literature, and international best practice, Africa is highly unlikely to escape the poverty trap by giving public expenditure priority to urban-based economic solutions such as import substitution industrialization, export-oriented industrialization and 'open- economy' industrialization. Rather, rural transformation succeeds only when driven by *ENTIRE ECONOMY*, meaning there is need to: expand the domestic market; create backward and forward linkages within and between rural and urban sector; and pursue a multi-sector approach to rural transformation.

Africa's fight against poverty will be won or lost in rural areas, because this is home to about 63% of the population; 73% of the poor live in rural areas. Agriculture and agro-processing account for 30-60 percent of GDP, and an even larger share of employment. Even with rapid urbanization, more than 50% of the poor will be in rural areas by 2035, and depend significantly on agriculture. Poverty in Africa is substantially higher and more highly feminized than in other developing regions. The share of the population living below the poverty line of US\$ 1.25-a-day threshold is as high today, at 50 per cent, as it was in the 1980s. This is so despite significant improvements in growth in Africa since the beginning of the century (Ewang 2011)

With 1 billion people in Africa today and 2.3 billion people projected for 2050(1) the continent's greatest asset, or potential risk in the coming decade, will be in its capacity to harness this rapidly increasing reservoir of human capital. After Asia, Africa is the world's largest and most populous continent and accounts for about 15% of the world's population. Africa is also the youngest region in the world. As of mid-2011, the top 10 countries with the youngest population were in Africa. By 2040, Africa will have the largest workforce in the world, surpassing China and India. Within the continent, East & West Africa will be the youngest regions. A large "youth bulge" can be an opportunity for

change, progress and social dynamism or a risk for the continent³. It offers endless opportunities for economic and social development, if the talents of this rising youth cohort are harnessed and channeled towards the productive sectors of the economy (Source: United Nations Department of Economic and Social Welfare)

The Chairperson of the African Union Commission, Dr. Nkosazana Dlamini Zuma recently called for more investment to promote job creation, achieve inclusive growth and eradicate poverty in a continent which in the next fifty years will be home to 1.1 billion workers, more than a third of the global workforce.

Within the context of global challenges of food insecurity, climate variability, urbanization and population explosion, Africa continues to have its own peculiar challenges particularly within the `rural space. The combined burden of a youth bulge and shrinking job market have left millions of young people jobless, underemployed and excluded from economic opportunities. The proportion of rural youth is decreasing in all **sub-regions** as well as the absolute number of rural youth, with the exception of sub-Saharan Africa where their number will continue to increase until 2030 or 2040. Accordingly Sub-Saharan Africa faces peculiar and unique challenges for the next decades in securing decent livelihoods and employment for young people in both urban and rural areas, but in particular in the latter.

CHARACTERISTICS OF THE YOUTH EMPLOYMENT CHALLENGE IN AFRICA (DRIVERS)

1. Weak economic growth and national capacity to create sufficient quantity and quality of jobs in the formal economy were seen as interconnected with high rates of youth unemployment and underemployment.
2. Tertiary education is eminently biased towards academics “thinkers” and preparing students for formal sector wage jobs, yet the continent needs “thinker-doers”.
3. Lack of access to relevant entrepreneurship training, technology, credit and finances in both urban and rural contexts are huge disincentives for youth to engage in business.
4. Weak public-private partnerships have led to a general lack of work placement, internship apprenticeship opportunities to ease the school to work transition.
5. The human side of poverty and unemployment is most devastating to youth in terms of the psychological trauma which ultimately is about losing hope in the future. Material poverty and unemployment for youth eventually leads to intellectual and spiritual loss of confidence and belief in self. Conversely the same social pressures pile on the few extended family members who struggle to support a bulging number of needy relatives (this **is referred to in south Africa as**

the Black Tax, an interesting but apt expression) and sometimes this contributes to crime and corruption.

The Critical Question is therefore: how to create Jobs? What needs to be done? I will submit that we have to radically change the way all actors have responded to the Youth bulge and their entering into the job market. I will argue that we have to start thinking laterally about how actions in one area can have simultaneous benefits in others.

Whilst developing National strategies and action plans are important, making a better inroad in transforming our rural areas through job creation for youth calls for a decentralized approach to designing and implementing policies for employment and skills development. What do I mean by this?

Adopting a spatial/local approach to economic development. (territorial development)- Job creation is related to four dimension of a local economy: demographics, labour force dynamics, commuting patterns and industry structure. What is the asset driving economic development and hence job creation.

Understanding the political economy of rural transformation: Actors, policies and impacts. Who are the actors and how they interact. Sometimes development policies are inimical (harmful) to rural areas and transformation (e.g Land governance)

Promoting multisectoriality and multi-level approach- the workforce development system has to be a partnership among three levels of government- national, regional and local.

Reforming the tertiary education systems so as to reconfigure the future workforce in Africa towards needs and tastes of a youthful continent that produces and consumes its own value-added products and services

Therefore, to enhance job creation and harness skills development opportunities in Africa particularly for the rural youth a clear strategy is needed to harness consistently the full potential of overall economic growth for inclusive rural transformation that covers the three different but interrelated dimensions. The first is the economic dimension that encompasses providing both capacity and opportunities for the poor and low-income rural households in particular to benefit from the economic growth process in such a way that their average incomes grow at a higher rate than the growth of average incomes in the sector as a whole. The economic dimension also includes measures to reduce intra- and inter-sectoral income inequalities to reasonable levels. Second is the social dimension of supporting social development of poor and low- income households and disadvantaged groups, eliminating inequalities in social indicators, promoting gender equality and women's empowerment, and providing social safety nets for

vulnerable groups. Third is the political dimension of improving opportunities for the poor and low-income people in rural areas, including women and ethnic minorities, to effectively and equally participate in the political processes at the village level and beyond compared with any other categories of the population within and outside rural areas? This will mean we have to address the issues of Skills and geographic mismatch. While we can not confidently say there is a causal relationship of this mismatched with unemployment, the correlations are consistent with the effects of mismatch.

We as a continent must be directed by the Agenda 2063 aspirations;

We aspire that by 2063,

Youth unemployment will be eliminated, and Africa's youth guaranteed full access to education, training, skills and technology, to health services, jobs and economic opportunities, recreational and cultural activities as well as to financial means to allow them to realize their full potential. Young African men and women will be the path breakers of the African knowledge society and will contribute significantly to innovation and entrepreneurship. The creativity, energy and innovation of African youth will be the driving force behind the continent's political, social, cultural and economic transformation. (African Agenda 2063)

This aspiration will truly be attained with the following strategic processes by our governments:

1. REPOSITION THE CENTRAL ROLE OF THE STATE IN RURAL TRANSFORMATION:

- a. Advocate for and repositioning the role of the State in such transformation as central, and there is need to promulgate policies and legislation that transforms rural communities
- b. Reform the public sector expenditure architecture and to ensure that the entire economy drives rural transformation
- c. Address duality and expand the domestic market in part by investing in backward and forward linkages within and between rural and urban sector

2. PURSUE A MULTI-SECTOR TERRITORIAL APPROACH TO RURAL TRANSFORMATION:

- a. Taking a spatial-planning/territorial development approach, and targeting especially those regions where high populations of the poor reside.
- b. Invest in economically beneficial sectors where there are opportunities for youth. Invest in job creation in agricultural plantations, the mining sector, the construction sector, infrastructures and industry
- c. Public investments that foster territorial development and convergence

between rural and urban growth, as well as between wealthy and poorer cities

- d. Promoting rural industrialisation and diversification, township and village manufacturing; rural economic diversification and value-added industrialisation
3. REFORM AND REVITALIZE NATIONAL EDUCATIONAL SYSTEMS:
- a. Reform the educational, technical and vocational skills training system to align with a future national workforce configuration that gives priority to jobs for youth in value-addition, processing, and marketing of products and services
 - b. Reassess and reform all educational, technical and professional employment training services to meet market demands. Make the educational system more practical oriented to support relevant skills development, entrepreneurship and offer career guidance in partnership with private sector and relevant government sectors
 - c. Support investment in information and communications technology, agriculture and agroprocessing, tourism, wholesale and retail, business outsourcing, off-shoring, and manufacturing
 - d. Foster entrepreneurship, life skills and strong work ethics. Education systems should be geared towards inculcating an entrepreneurial spirit among youth, rather than preparing them for the job market. It is important to inculcate values of hard work ethics, self-confidence, personal discipline, and entrepreneurship among young people as shared responsibility of government, youth organizations, universities, churches and parents associations
 - e. Design and scale up targeted interventions for socially marginalized youth apprenticeships, internships, work placements and industrial attachments.

About 15 years ago the Newline was Africa the Dark Continent, The storyline is now Africa is rising. There is no doubt that the continent is making progress. However this storyline is dented with the reality of Africa youths dying trying to cross the Mediterranean sea and Sahara Desert in search of economic and job opportunities and a better life for themselves and their families.

Those present here today have the opportunity and responsibility this story and the course of history by creating conditions that support African youths to meet their full potential through gainful employment.

Today the Prime Minister will launch the Second NEPAD Atlas on Rural Transformation. In two years' time when we meet in the next NEPAD Africa Rural development Forum,

let the story be “ Jobs in Rural areas and the dynamism of African Youths Leapfrogs the development and transformation of the continent”.

THANK YOU.