Accelerating the AfDB’s Response to the Youth Employment Crisis in Africa

Considerations for a Youth Employment Initiative

Joao Duarte M. S. Cunha

Human Development Department
African Development Bank
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Why is the Bank intervening?

 AppBar

- **Respond to the immediate crisis**: as well as structural needs of labor markets in Africa in light of the recent youth uprisings in North Africa.

- **Framework for stakeholder engagement**: Provide a framework to discuss the YE crisis with Bank’s stakeholders and partners.

- **Integrate job creation in Bank operations**: as per the recent review of the Medium-Term Strategy (MTS) 2008-12.

- **Harnessing demographic dividend**: Elaborate on how the Bank can assist clients in harnessing the youth as a force for sustainable growth and development.

 AppBar

Working Age Adults per Dependent Child in 2006 and 2030
Population ages 15-64/Population ages 1-14

<table>
<thead>
<tr>
<th>Country</th>
<th>2006</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uganda</td>
<td>0.6</td>
<td>1.2</td>
</tr>
<tr>
<td>Kenya</td>
<td>0.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Ghana</td>
<td>1.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Philippines</td>
<td>1.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Ecuador</td>
<td>1.8</td>
<td>3.0</td>
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Key guiding questions…

- **Demographic**: how can labour markets absorb the large numbers of youths?

- **Governance**: How can the public sector enable economic opportunity and job creation?

- **Diversity**: how can we design effective interventions across a diverse continent?

- **Informal sector**: how to capitalize on a growing informal sector across the continent?

- **Market size**: How can we expand employment-enhancing economic sectors?

- **Economic integration**: how can we harness global capital and labour dynamics?

- **Knowledge**: Do we know enough about the problem and effectiveness of responses?

- **Cooperation**: are we talking to partners and engaging gov'ts with the right instruments?
Relevant interventions over last 20 years…

- Primary education and TVET

- Post-primary education and training programmes/ focus on ICT
  - Social Funds and Microfinance Sector Support
  - Youth rehabilitation in post-conflict settings & fragile states
  - Labour-intensive public works
**What have we learned so far?**

- **Multifaceted Interventions** comprising of an array of services that are provided simultaneously (eg. skills training, finance, entrepreneurship) tend to be most successful.

- Strong **partnerships between public and private actors** to eliminate barriers to growth and strengthen the competitiveness of the private sector leverages SME growth.

- **Partnerships with local authorities and communities** are important to help young people start and improve their own businesses with decent incomes.

- Policies that **support private sector initiatives** to develop value chains and promote labor-intensive manufacturing, especially in agriculture and agro-processing.

- **Tailored interventions** to meet the needs of different groups have the highest impact.

- **Matching skills to demand** is key to improving youth employability.

- Educational systems should spur **innovation and entrepreneurship** amongst youth.
What options is the Bank considering?

- Realign HD operations
- Mainstream YE in other Bank operations
- Scale up the Bank’s assistance to addressing YE
- Address knowledge gaps through analytical work
- Build the Bank’s capacity to provide expert assistance

Guiding Principles

- building on Bank’s own strengths
- aligned to country policies (inc. Soc. Protect & Pov Reduction)
- coordinated with lead partners
- differentiated according to country specific issues and goals
- follow an integrated / Multi-sectoral approach
- collaboration with the private sector, CSOs and youth reps.
Bank’s proposed framework for action…

**Immediate**

- **Fast tracking support to countries** with immediate needs using innovative financial instruments
- **Realigning the on-going portfolio** / Mainstreaming job creation in the Bank’s current operations
- **Upgrading the knowledge base** for policy decisions on employment at country level.

**Medium/Long Term**

- **Supply side program components** address the mismatch between the skills provided by the education systems with those required in the labor-market
- **Demand side program components** would be geared towards creating an enabling environment for sustainable employment creation…
Looking ahead, a new generation of interventions...

**Governance:** Decentralization / local development / voice & Accountability / fiscal space for social protection / Business enabling reforms and “formalization” of enterprises / Regulatory environment for financial inclusion

**Informal sector:** integrated TVETs/apprenticeship programs targeting informal sector / rural employment policies with a focus on the emerging “green economy” / MSME and urban entrepreneurship

**Technical & Higher education:** reforms with a view to establishing a firm link between skills and education and the need of the job market; Investments in education systems / research and innovation in and for rural areas and informal sector
What are the next steps?

Time is of essence!!!

Engage partners such as…

- OECD – Development Centre
- ILO – Youth Employment Network / Regional Bureaus
- World Bank – Social Development Dept & Fragile States Unit
- UNDP – Youth Employment Programme in SSA
- MicroSoft Africa Initiative
- Academia, Civil Society, Private Sector

On activities as follows…

- Research and knowledge generation
- Pan-African Youth Employment Observatory
- Joint development and/or financing of operations
THANK YOU!!!

Joao Duarte M. Sarmento Cunha
Senior Socio-Economist
Social Protection and Poverty Reduction Division
Human Development Department
+216 7110 3819
j.cunha@afdb.org