

Africa's 'youth employment' crisis is actually a 'missing jobs' crisis

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Contents

- 1** Introduction
- 3** The dominant narrative and current evidence
- 11** A “missing jobs” crisis
- 15** Policy conclusions
- 18** References

Introduction

Opportunities for employment, or the lack of them, have long been a central interest of African governments, young people, and their families. Youth employment¹ is also currently the subject of considerable policy, research, and practitioner interest (e.g., CTA et al., 2014; Filmer and Fox, 2014; IDRC, 2015; Losch, 2016; The World Bank, 2009, 2018; Yeboah, 2018). The “youth employment” crisis now features centrally in most discussions about labor markets and public policy in sub-Saharan Africa.² The growing momentum behind the idea of “investing in youth” has led to a proliferation of youth-specific and youth-targeted interventions.

However, the framing of the problem as a “youth employment” crisis means many interventions are relatively small and narrowly targeted, especially when international development partners are involved. Many have limited results and fail to address the structural issues that inhibit the creation of quality jobs. The “it’s all about the youth” framing ignores the fact that young people are in fact caught up in a broader African “missing jobs” crisis that reflects fundamental structural constraints within African economies.

We are not the first to raise these concerns and call for structural change to bolster the demand side of the labor market (Betcherman and Khan, 2018; Filmer and Fox, 2014; Flynn et al., 2017). It is also the case that, outside the youth employment discussion, much has been written about the need to increase employment opportunities for all Africans (Monga et al., 2019).

The contribution of this paper is to bring together evidence from a wide range of sources; indicate where the evidence supports the current policy orthodoxy and where it does not; and map out an alternative policy narrative and policy landscape. There is no doubt that too many young people have difficulty finding work that provides a satisfactory livelihood. However, we argue that this is only one aspect of the broader employment crisis. In other words, the problem is with the economy and “missing jobs” for everyone—not just for young people.

Below, we critically interrogate the dominant narrative about youth employment in sub-Saharan Africa, looking across five dimensions: demography, violence and civil unrest, training and skills, entrepreneurship in the urban service economy, and the rural economy. This dominant narrative may be summed up as something like: there are (too)

1 In this paper, youth is defined as people between the ages of 15-24. Recognizing that youth is a social construct, and not all youth transition into adulthood at the same time or in the same way, we nonetheless find that the U.N.’s demographic designation of youth as within the age range of 15-24 provides enough homogeneity with respect to challenges and opportunities in the labor market, as well as public policy and programmatic initiatives, to be useful for this paper.

2 In this paper, the term “Africa” refers to sub-Saharan Africa only.

many young people in sub-Saharan Africa; when “idle,” they are easily drawn into crime and violence; they can’t get the jobs that are available because they lack technical and soft skills and therefore need training; they are innately innovative, and therefore their entrepreneurial potential needs to be awakened; and they are averse to agriculture. This narrative suggests that the crisis is very much “youth-specific” (Irwin et al., 2018): Young people are both the problem and the solution, and thus youth-specific or youth-targeted interventions must be prioritized.

We propose a counternarrative that locates the fundamental problem not with young Africans, but with the structure of African economies, which provide far too few opportunities for decent work for people of all ages. Thus, the so-called youth employment problem cannot be solved in isolation from the major economic challenges that countries face today. Indeed, a focus on youth-targeted interventions actually distracts policymakers and stakeholders from developing the policy agenda for structural change. Only a wider set of policy options that give priority to tackling broader structural issues has the potential to deliver much bigger results, for people of all ages.

The dominant narrative and current evidence

Demographics as threat and opportunity

The demographic “fact” at the heart of contemporary interest in youth employment in sub-Saharan Africa is Africa’s relative youthfulness—interpreted variously as an opportunity, a threat, or both—due to a slow and late demographic transition (see Figure 1). The oft-repeated claim that “Africa is the youngest continent” and the image of a “youth bulge” are foundational to the crisis narrative around youth employment (e.g., Gates and Gates, 2019; Gyimah-Brempong and Kimenyi, 2013; NEPAD, 2016), even though the fact of large shares of young people entering the labor market is neither new nor specific to sub-Saharan Africa.

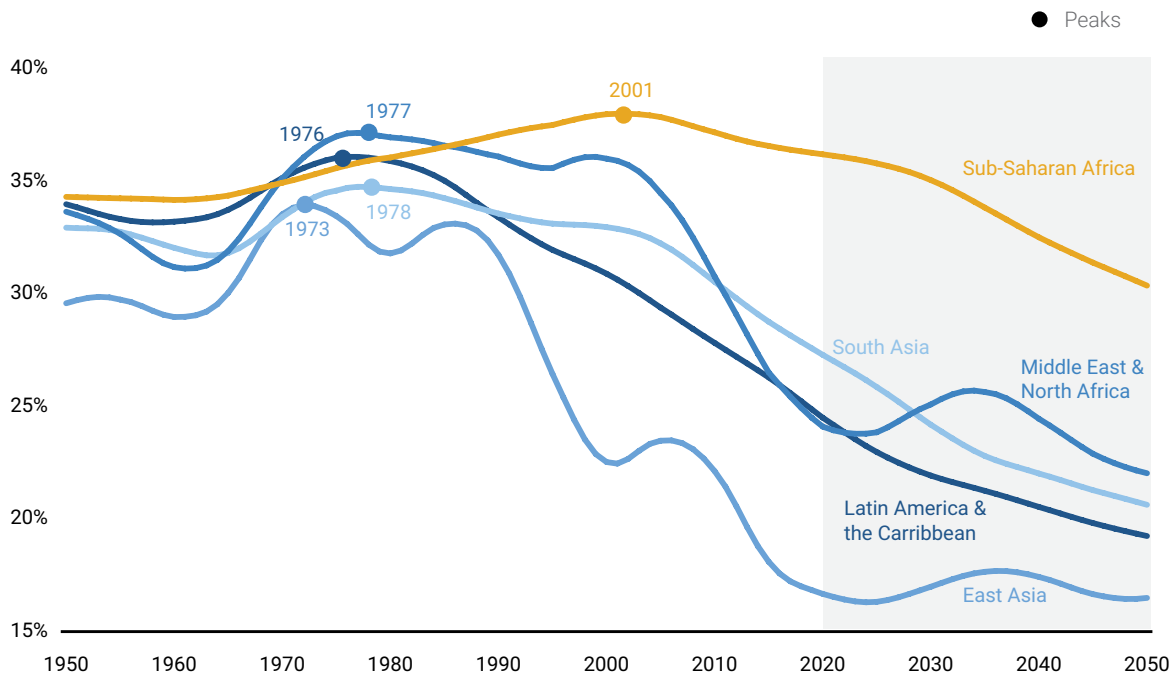
The element of threat and crisis is commonly offset in policy discussions by hopes for a “demographic dividend”: a one-off economic windfall associated with the “bulge” generation successfully entering the labor market, earning a good income, and saving and investing that income in the next generation, which is smaller, owing to lower fertility (see Drummond et al., 2014). To gain this dividend—which may, according to one estimate (UNFPA, 2014), be worth up to

\$500 billion per year in sub-Saharan Africa, or about one-third of the region’s GDP, for 30 years—would require the “right” investments, typically in education and training. Young people’s productivity, it is often argued, would be accelerated by their greater capacity, as “digital natives” to engage with information and communication technologies (ICTs) (AGRA, 2015).

Yet a more nuanced interpretation of demographic trends shows that both the size of the “bulge” and the attendant demographic dividend, may be overestimated. The youth share of both the whole population and the working-age population in Africa was indeed large at its peak but has been declining for some time (see Figure 1), albeit at different rates in different countries.³ Owing to lower labor force participation of school-aged youth, the youth share of the employed population is 24 percent today (ILOSTAT). The likelihood of realizing a large demographic dividend is also debatable, as it would require a far more rapid decline in fertility and an associated larger rise in savings than is currently projected for sub-Saharan Africa (Lee and Mason, 2011; Yazbeck et al., 2015). This is because the labor force needs to be able

³ A version of Figure 1 with country disaggregation would show substantial regional variation across sub-Saharan Africa, owing to variation in the speed of fertility decline. However, only the Republic of South Africa is well below the sub-Saharan African line, following closely the path of South Asia. Ghana is slightly below the regional average today, and Ethiopia and Kenya are projected to fall below the projected regional average by 2025, while Niger and the Democratic Republic of the Congo are projected to remain well above it through 2050.

Figure 1: Youth (ages 15-24) share of working-age population, actual and projected by region



Note: U.N. projections after 2019.
 Source: United Nations World Population prospects 2019 (Medium Variant).

to earn increasingly more income relative to household consumption to support the investments needed for the dividend, but a rapidly growing labor force depresses wages and private savings. As a result, slowly declining dependency ratios and a high degree of informality—where earnings rise slowly and skills do not earn as high a return as in formal employment—limit, if not erase, the potential African dividend. Investments in training will not change this pattern; only broad-based economic development to create more demand for labor in the formal sector, combined with slower growth of the labor force will change the pattern, a topic we will return to below.

Unemployment leads to violence and unrest

Another reason policymakers have focused attention on Africa’s youth is a presumed link between the lack of employment opportunities for young people on the one hand, and political violence, radicalization, crime, and migration on the other. The suggestion that violence and unrest could be avoided by investing in education, training, and job readiness programs has meant that skill development and employment-matching interventions for young people are recast as ways to invest in stability, security, and peace. In particular, “idle,” unemployed young men are often seen as vulnerable to recruitment into violence, crime, and religious radicalization (Al-Momani, 2011; Brück et al., 2016; Cincotta, 2008; Goldin et al., 2015; Urdal, 2008; Williams, 2016). Thus, fears about international migration

and radicalization have motivated some governments and donor agencies to redirect official development assistance funding toward youth-targeted programs (Barigazzi, 2017; Delcker, 2017; European Council, 2017; Jobson, 2017; Politico, 2018; USAID, 2012).

However, the presumed simple causal link between unemployed youth and violence does not stand up well to scrutiny (Allan et al., 2015; Brück et al., 2016; Cramer, 2010; Dowd, 2017; Idris, 2016; Izzi, 2013). As Brück et al. (2016, pp. 39-41) find by studying cross-country labor market indicators, fragile and conflict-affected states (FCS) indeed have higher population growth rates and, as a result, younger populations. However, they also find that FCS are much more rural and have higher male employment-to-population ratios. At the same time, they find that broad unemployment rates and labor market participation rates in FCS and non-FCS are statistically the same, while the unemployment rate of young males is lower in FCS. They conclude, “[a]lthough differences in country averages do not allow us to draw robust conclusions about the relationship between employment and peacebuilding, this first look at the data suggests that more may be at play than merely keeping young, urban males out of unemployment, if one wishes to prevent violent conflict in fragile and conflict-affected countries.”

The majority of young people remain peaceful when faced with economic adversity, even when living in a context where armed violence exists (Sommers, 2015). Although a lack of opportunities to work may make some young more susceptible to recruitment into patronage networks, some of which, in turn, especially in fragile and conflict-affected settings, increase the risk of being mobilized for criminal or political

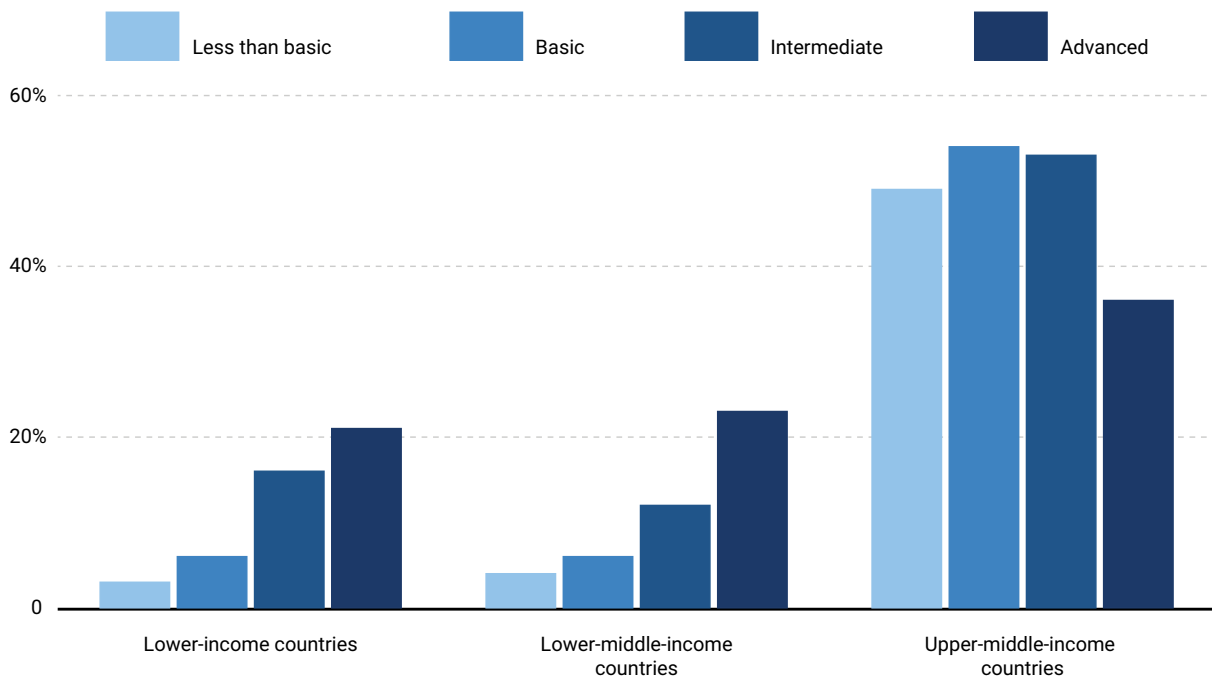
violence, those who take part remain a minority compared to the overall number of underemployed youth (Enria, 2015; Izzi, 2020; Oosterom, 2019). Moreover, employment status does not appear to predict who gets recruited into militant groups, and work-related factors figure among common grievances but are not the sole explanation for violent mobilization (Izzi, 2020, p. 12). Related, urban protests (which are not the same as armed violence) are not fueled by joblessness per se, but by perceived injustices in the distribution of economic resources (UNESCO, 2011, p. 9). When youth employment opportunities are channeled through partisan or elite networks, grievances may deepen (Honwana, 2011, 2012).

Training and skills lead to jobs

Rooted in human capital theory, many youth employment interventions build on two propositions: that youth is a phase of life when people build human capital, and that young people represent a valuable yet underutilized resource (DFID, 2016; UNDP, 2014). A “deficit” model of contemporary young people, which sees young people in sub-Saharan Africa as lacking what local economies and employers need in terms of skills, informs this thinking. Consequently, training and skills development—from technical and vocational education and training (TVET) and entrepreneurship, to psycho-social skills—have for many years been the dominant interventions for addressing the youth employment crisis.

Program funders often cite evidence of participant job placement success, without considering displacement effects—meaning that these jobs would have been filled regardless, even without training (Fox and Kaul, 2017). While research has found

Figure 2: Youth unemployment by education level



Note: Labor force weighted averages.
Source: ILOSTAT.

that more education generally correlates with higher earnings, the relationship is not automatic—there must be jobs or entrepreneurial opportunities into which better skilled young people can step.

Evidence increasingly reveals that despite increases in school enrollment across sub-Saharan Africa, youth still lag behind their counterparts in countries at similar income levels in educational attainment and learning (AfDB, 2020; Arias et al., 2019; World Bank, 2018). There is also evidence that jobs do not exist today for many of Africa’s educated youth. The youth most likely to be unemployed in low- and lower-middle-income countries are the most educated (Figure 2), although this relationship may also reflect the fact that the same richer families that are able to pay for more education are

also able to support youth through periods without an income. High unemployment among educated youth is a common pattern in middle-income countries as progress in educational attainment tends to move faster than economic change; in other words, it takes time for the economy to change enough to absorb all the educated youth entering the labor market.⁴

Skills-matching surveys conducted in urban Ghana and Uganda showed that 40 percent and 25 percent of employed people, respectively, reported that their skills were not being used on the job (Handel et al., 2016). Surprisingly, the skills least likely to be used were digital ones. McGuinness et al. (2018) found that youth were more likely to report that their skills were not being used if they worked informally. As the AfDB (2020, p.

⁴ See Fox and Gandhi (2020), for more evidence on this point.

71) notes, the fact that “30 percent of youth with at least a secondary education report being overskilled for their job points to the potentially limited absorptive capacity of African labor markets.” In other words, the problem is related to a lack of demand for labor in the formal labor market rather than with the youth themselves.

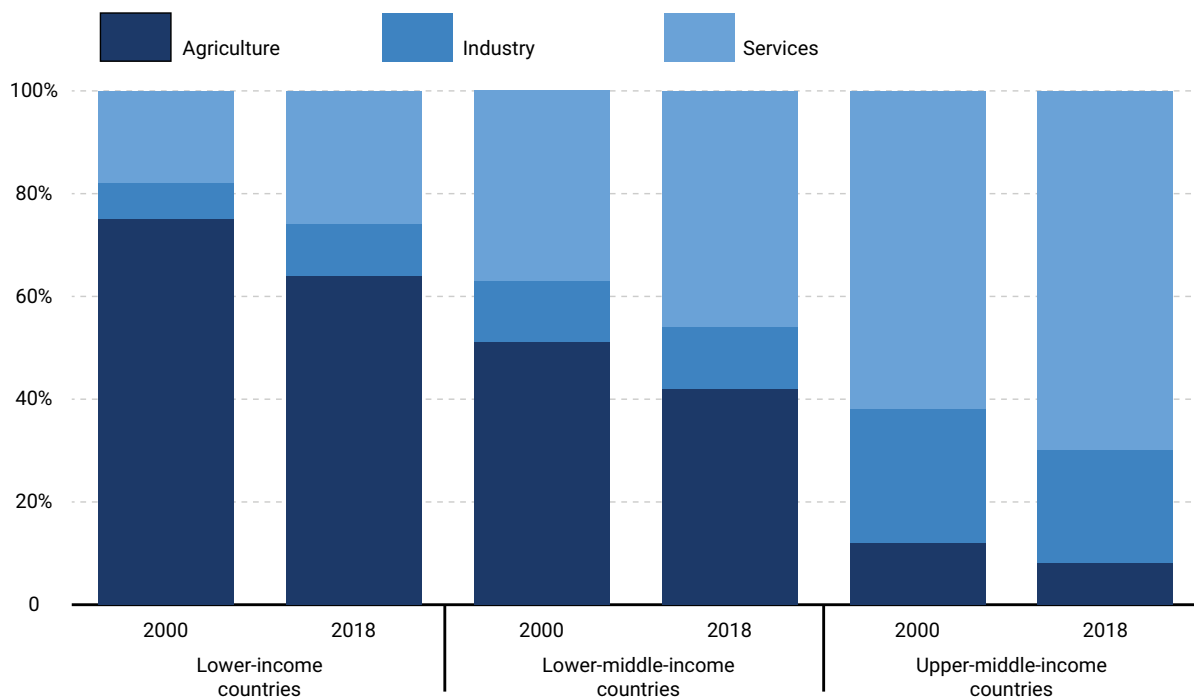
Despite increasing evidence that youth skill mismatches in Africa mostly relate to faster development of educational opportunities than economic ones, youth skill development programs persist, especially in urban areas. Many development actors have been slow to acknowledge mounting evidence that post-school job training and skills interventions are not particularly effective, despite the fact that these interventions are usually expensive, even when, to keep costs down, they often aim to teach in a few weeks things that may take years to learn (Burchell and

Coutts, 2018; Fox and Kaul, 2017; Kluge et al., 2017; McKenzie, 2017). The most valuable skills, inside the workplace and out, are not sector specific, but rather transferable skills including literacy, numeracy, problem solving, communication and negotiation, and ultimately personal agency, including the ability to negotiate and challenge low wages and unsafe working conditions (Arias et al., 2019; Jacobs et al., 2015).

Economic leapfrogging through urban entrepreneurship

Africa is the least urban continent but is increasingly urbanizing. Most of sub-Saharan Africa’s cities are characterized by a relatively small formal sector, reflecting the slow rate of structural transformation (Lall et al., 2017). In particular, employment in the industrial sector, including manufacturing and construction, is quite low (Figure 3).

Figure 3: Sub-Saharan Africa, employment by sector, 2000-2018



Source: World Development Indicators.

Meanwhile, the services sector has grown, especially in urban areas, though most service jobs in Africa today are precarious ones in the urban informal sector (ILO, 2018). Amid concerns that sub-Saharan Africa will not be able to replicate the industrialization pathway of East Asia (Losch, 2016; Rodrik, 2016), hopes are often pinned on entrepreneurship, especially in the digital sector, enabling Africa to “leapfrog” the industrialization phase straight into becoming a modern service economy (Choi et al., 2019; World Bank, 2016). Related to this narrative is the “youth as digital natives” narrative (Mabiso and Benfica, 2019).

No doubt Africa’s cities need more and more productive firms to rapidly increase wage employment and decent jobs. However, the solution is often seen as lying in interventions that promote more entrepreneurship among young people (e.g., ILO, 2014; UN, 2013), as opposed to solutions that improve urban infrastructure and governance (e.g., Lall et al., 2017). Programs that seek to inculcate entrepreneurship through business training, financial literacy, access to finance, business plan development, and mentoring as well as changing attitudes about being entrepreneurs are widespread (Flynn et al., 2017, pp. 25-27; Fox and Kaul, 2018). The expectation is that young people in urban areas would earn a better living if they became entrepreneurs, hopefully also creating jobs for other young people.

Recent research provides a sobering perspective on the expectation that many young people can be fashioned into entrepreneurs at the bottom of the

pyramid who will modernize the service sector. A recent OECD study finds that only a “a tiny portion” of youth entrepreneurs’ businesses are successful. Furthermore, most businesses operate at a subsistence level and do not create new jobs for others (OECD Development Centre, 2018, p. 5). This finding is not surprising, as (i) real entrepreneurs, who employ a significant number of employees on a formal basis are rare, only about 2 to 5 percent of the labor force in developing countries, and (ii) they tend to be over 30 (Fox and Kaul, 2018). For example, a large and successful funder of growth-oriented business ventures started by young people in Africa, the Tony Elemelu Foundation, funds about 1000 businesses a year all over Africa. While no doubt helpful, such initiatives could not possibly address the livelihood issues of the approximately 3 million to 4 million⁵ youth entering urban labor markets every year in sub-Saharan Africa. At the same time, however, entrepreneurship programs individualize responsibility for finding a job (or inability to find one) while they “shift attention from the failure (and profound inequities) of the economic structure” (Dolan and Rajak, 2016, p. 527). Particularly the proposition that young people in sub-Saharan Africa are a generation of digital natives and potential digital entrepreneurs needs critical examination and nuancing in the light of uneven access and still poorly understood patterns of engagement (Chair and De Lannoy, 2018; Mabiso and Benfica, 2019).

⁵ Authors’ estimate based on: (1) currently, the sub-Saharan Africa working-age (15-64) population is increasing by 18 million (net) each year (ILO STAT). But (2) some people leave, due to age and death, so the actual gross number of youth entering is somewhat higher. (3) Labor force participation of youth is around 60 percent (averaged across ages 15-24, rising with age); so approximately 8 million to 10 million youth may be expected to enter the overall labor market every year. (4) Around 40 percent of the population in sub-Saharan Africa is urban (U.N. figures, but definitions vary).

It is crucial not to mistake a fact of life in Africa—that there is a shortage of wage jobs on offer that crowds educated urban youth into self-employment—as evidence for there being a vast pool of potential entrepreneurs ready to create a large number of new jobs and contribute to structural transformation.

Agriculture—poverty trap or sector of promise?

Prevailing narratives around youth and the rural economy in Africa seem to sit at one of two extremes. At one end are those who view agriculture as a dead end for young people: They hold the view that youth do not want to be in agriculture and that they are exiting the sector and rural areas as fast as they can. In other words, only youth from very poor backgrounds stay in rural areas to work in agriculture (Making Cents International, 2017). At the other end are those who predict rural prosperity and argue that the agricultural sector is ripe for transformation, and so youth are the ones that can bring the transformation on, as they are more innovative, have more skills, and can use digital technology (AGRA, 2015; IFAD, 2019). Filmer and Fox (2014) make a similar argument (based in part on projections that show some youth will have nowhere else to go), but note challenges ahead for youth entering the agricultural sector, including access to land and capital. But neither of these narratives reflects the rural reality many African young people face.

Yeboah et al. (2020) and Mabiso and Benfica (2019) offer a more nuanced perspective on opportunities and challenges for youth in rural areas. Mabiso and Benfica provide evidence (based in part on Sumberg et al., 2018) that vast numbers of youth are not exiting rural areas in Africa; rather,

many are staying and trying to make a living. Both authors provide evidence that many young people are able to build rural livelihoods, often by combining activities (e.g., farming and an off-farm business). Yeboah et al. (2020, p. 8) note that, based on interviews with youth in three countries, “overwhelmingly, their plans for the future include expansion and/or diversification of activities within the rural economy.” While most want to remain involved in agriculture, many see themselves as wanting to manage farm labor as opposed to doing the work. However, livelihood opportunities clearly differ by the extent of commercialization and infrastructure investment, so not all rural areas in all countries offer the same promise (Mabiso and Benfica, 2019). Sumberg and Hunt (2019) find little evidence to justify claims that African youth are more innovative or faster to adopt new agricultural technology than adults, which undermines the logic for some youth-targeted agricultural programs.

Common perceptions and misconceptions

In sum, the dominant narrative about youth employment in Africa is based on five common perceptions, which closer examination shows to be misconceptions:

- Sub-Saharan Africa’s demography is seen as representing a unique threat and opportunity: a dangerous “youth bulge” and a potentially immense “demographic dividend.” However, the size of both the bulge and the attendant dividend are commonly overestimated.
- Unemployed young people are seen as particularly prone to engaging in political violence, crime, migration, and radicalization. However, these issues

have more complex causes, and most young people remain peaceful even when un- and underemployed.

- Young people in sub-Saharan Africa are seen as lacking human capital, and they will find the right jobs when they receive training and build the right skills. However, the more educated youth are more likely to be unemployed or find their skills underused—clear evidence that the supply of educated entrants to the labor force exceeds demand from potential employers. Meanwhile, youth training programs promoted today are often both expensive and ineffective. If they increase job opportunities for participants, it is usually at the expense of equally qualified non-participants.

- Young people are seen as budding service-sector entrepreneurs, particularly in the digital space, who could create many jobs and transform African economies. However, most young entrepreneurs' ventures fail, and most enterprises in the service sector are really self-employment or household businesses, which are forms of precarious informal sector employment.
- Finally, the agricultural sector and rural areas are said to be unappealing to youth and offering limited prospects. However, in reality, rural areas represent a heterogeneous opportunity space, within which many rural youth find opportunities to build their livelihoods.

A “missing jobs” crisis

Because the dominant narrative about Africa’s youth employment crisis foregrounds young people and their characteristics, it strongly suggests that the crisis is all (and often only) about them. This “youth-specific” crisis narrative suggests young people are both the problem and the solution (Irwin et al., 2018). On this basis, it appears logical that youth-specific or youth-targeted interventions must be prioritized.

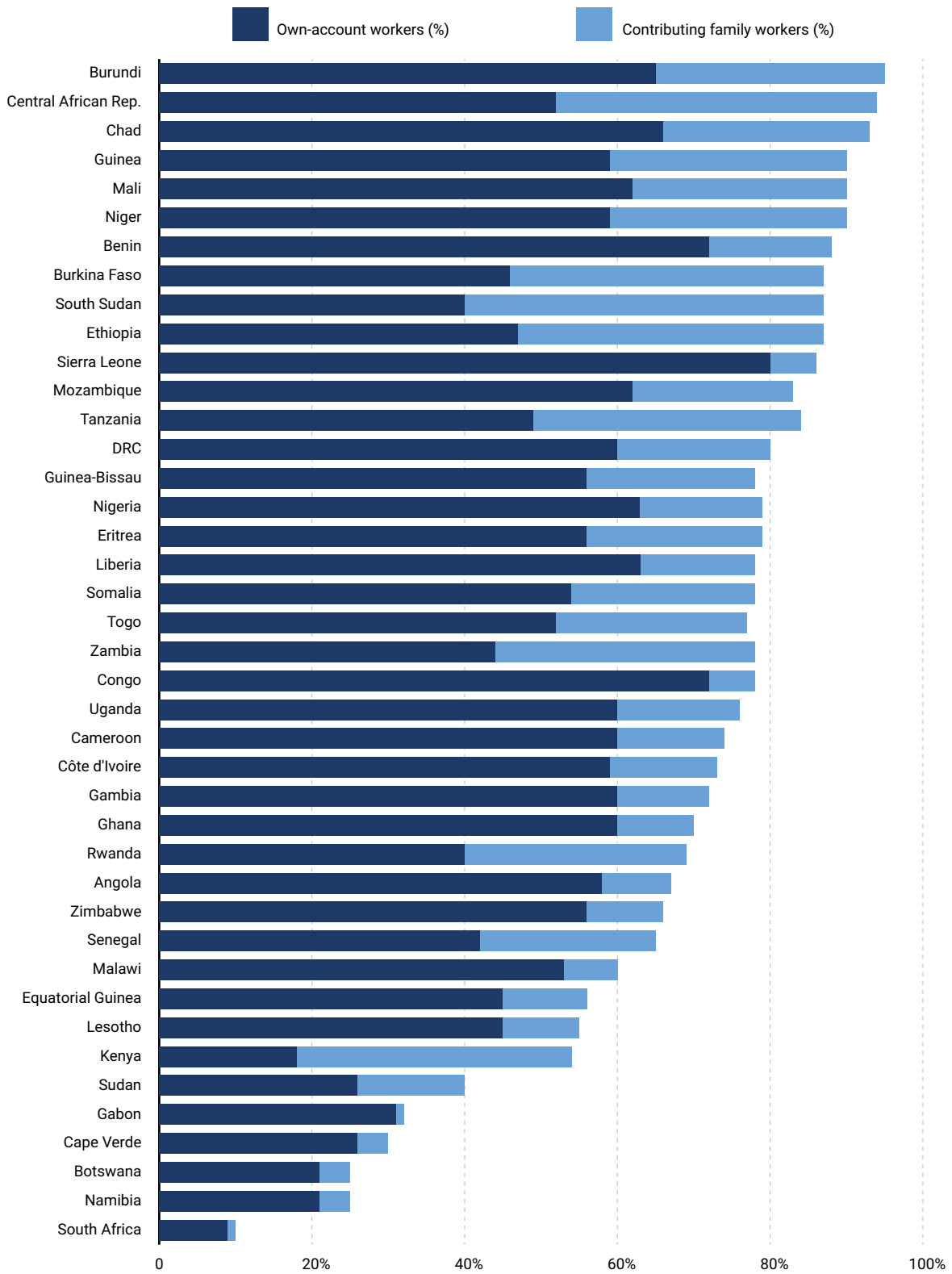
Yet these interventions do not seem to have delivered results at scale (Fox and Kaul, 2018). We argue that the problem is not with young Africans so much as with the structure of African economies, and therefore, the interventions needed are those that can produce structural changes. Whether the overall, age-spanning employment crisis is described in terms of high rates of unemployment, pervasive underemployment, small size of the manufacturing sector, or dominance of informality, these are all symptoms of the real problem, namely a lack of economic and employment transformation in sub-Saharan Africa, which means there is a lack of formal, non-agricultural jobs that could be considered “good” or “decent” (Filmer and Fox, 2014; Sumberg et al., 2020). While there are specific entry and skill development issues that youth need to navigate in the labor market, the main reason for poor youth employment outcomes is the same as the reason for poor adult employment outcomes: the structure of the economy.

African economies, and the employment opportunities within them, remain overwhelmingly informal. Modelled 2017 data for 44 sub-Saharan Africa countries indicate that in 35 countries (85 percent), own account workers (self-employed, with or without informal employees) and contributing family workers (family members working on household farms or non-farm businesses) accounted for more than 50 percent of all workers, while in 23 countries they accounted for more than 75 percent of all workers (see Figure 4). Of these family farms and businesses, 90 percent had no hired labor at all (Filmer and Fox, 2014). Only in the upper-middle-income countries (plus Sudan, a resource-rich country) does wage employment constitute the majority of employment. In 2018, the ILO estimated that 89 percent of all African employment was informal, including employment in family farms and household businesses (ILO, 2018). Total wage employment was 21 percent, of which about half was informal, meaning there was no formal contract conforming to national labor legislation, no guarantee of regular employment, and usually no social protection benefits.

Africa’s jobs crisis needs to be seen for what it is: a crisis of missing jobs, which entails economic precarity—in three dimensions—for people of all ages.

The first dimension of precarity is risk because of the high prevalence of non-wage-earning employment (ILO, 2018; Sumberg et al., 2020). Individuals who work

Figure 4: Own-account workers and contributing family workers as share of total employment



Data source: ILOSTAT.

for themselves or within their household, or run a very small business, have no income floor. They carry all the risk associated with variable weather, crop pests, disease, price fluctuations, market disruptions, theft, and so on. They work most often in high risk-low reward situations, especially in the family farming sector (Filmer and Fox, 2014). In addition, as “gig economy”-type work spreads, more own-account workers become dependent contractors, meaning that they have no control over the price of their services (e.g., an Uber driver) or hours of work (e.g., a driver of a hired truck or a minibus).

The second dimension is instability—more predictable than the risks, yet not avoidable—which arises because many work activities on farms and in informal businesses are temporary or affected by seasonality, including rainfed family farming and casual daily labor activities (e.g., that of farm wage workers or unskilled construction workers, etc.) (Devereux et al., 2012). This trend leads to underemployment (not being able to work enough hours during the year) and thus low income (see e.g. McCullough, 2017).

The third and final dimension is a lack of protection, because (i) the majority of employment is self- and family employment, not covered by labor and social protection laws and institutions (because they are in effect both employer and employee); and (ii) only a small share of employees eligible for protection are organized or have meaningful

protection under employment law, so they face increasing risk of exposure to unsafe and unhealthy work and abuse.

These three dimensions of precarity cut across both rural and urban economies, although seasonality may be more important in rural areas, and lack of protection for workers in informal business may affect more people in urban areas. All people, including the relatively large cohort of young people, have an internationally recognized right to remunerative, safe, and dignified work.⁶ But the requisite jobs are missing. Significant numbers of Africans of all ages, rural and urban, are forced to do work that is economically risky, unstable, unorganized, and unprotected by labor legislation. This is the “missing jobs” crisis, which limits potential employees’ ability to realize their potential, with negative knock-on effects for their families, communities, and societies.

Of course, this argument does not deny that there are some labor market issues that are more specific to young people than other age groups. Youth is a specific phase of the life cycle when the body and brain are still developing. It is a time of transition to social and economic independence, and finding and keeping a livelihood is a major part of the transition, especially for males.⁷ Youth may still be in formal education, learning higher-order cognitive skills; they should also be learning non-cognitive skills critical to

6 The 1948 Universal Declaration of Human rights (Art. 23) states: “Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment [...] equal pay for equal work [...] just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection [...] and] to form and to join trade unions for the protection of his interests.” The 1981 African Charter on Human and Peoples’ Rights (Art. 15) states: “Every individual shall have the right to work under equitable and satisfactory conditions, and shall receive equal pay for equal work.”

7 Females in sub-Saharan Africa mostly transition out of economic dependence on their parents through marriage, which may permit them to have their own livelihood or may require them to join the livelihood of their husband (and perhaps his family). At the same time, they also assume a high unpaid work burden in their (socially prescribed) domestic and reproductive roles. This may limit the development of support networks needed for social and economic independence. See Doss et al. (2019) for a discussion.

success in the world of work and outside it (Arias et al., 2019). They should likewise be developing their own support networks.

In trying to enter the labor force full time, youth lack the experience in the world of work that others have (even if they have helped out with their family's farm or informal business while going to school). They need to search for and find an occupation that suits their skills and tastes and is remunerative. They need to learn (or continue to learn) the employability skills valued in the labor market, skills that are mostly learned by doing and observing, often on the job. Most youth overcome these barriers with time. In the meantime, youth just starting out—in all countries and regions—are more likely than adults to have spells of unemployment or underemployment, combined with shorter duration of employment as they seek to build a livelihood. While it is in society's interest to facilitate entry and foster experimentation, the goal should not be to eliminate youth unemployment and underemployment completely.

Policy conclusions

We conclude that, while there may be some aspects of the employment crisis in sub-Saharan Africa that are experienced differently by younger people, it is better understood as an overarching “missing jobs” crisis that affects all segments of the workforce negatively. If this is indeed the case, then the interventions justified by the dominant narrative are misguided and will be of limited value, potentially distracting from the real challenges in the economy.

Shifting the narrative...

In order to move the debate, and shift the focus of policies and interventions, the dominant narrative must be dislodged with a counternarrative that can inform better policies and interventions. Such a counternarrative might be constructed along the following lines:

- All people, including the relatively large cohort of young people, have a right to remunerative, safe, and dignified work.
- Yet, significant numbers of Africans of all ages, rural and urban, are compelled by necessity to do work that is economically risky, unstable, unorganized, and unprotected by labor legislation. This limits their ability to realize their potential, with negative effects for their families, communities, and societies.

- The fundamental problem is not with these workers, but with the structure of many African economies, which provide far too few opportunities for decent work for their growing labor force.
- Experience shows that economies can be re-structured and that structural change, driven by coherent, consistent, and strategic economic and social policy, can unlock the door to job-rich growth. These efforts will benefit all people, including young people.
- There may be strong headwinds from ongoing changes in the world of work globally, however a destructive race to the bottom can be avoided by combining policy innovation with strategic investment, an active state that listens to its citizens, and an engaged private sector.

...in order to shift policies

If this narrative can be used to stimulate and support strategic investment, and promote a fundamental rethink of the approach to training and skills, there would be much greater potential to deliver meaningful results—for both young people and others (Beegle and Christiaensen, 2019; Filmer and Fox, 2014). Against this backdrop we argue for policy change along four lines.

First, there is an urgent need to acknowledge that the real problem is not a “youth employment” crisis but a “missing jobs” crisis. It is not about the youth but about the economy. Policies to address employment in Africa must focus on the structural condition of the economy and aim for comprehensive structural change and transformation. This is true even if a strong positive effect may not be observed for years. Accompanying this shift must be the recognition that significant progress will likely only be made in the medium to long term.

Second, governments, and especially overseas development partners who are often spending money on relatively small, youth-targeted projects with limited results, should use their resources differently. Specifically, they should spend on programs that do not only, or specifically, target youth, but rather address the structural issues that constrain the creation of quality jobs. These kinds of programs will ultimately deliver bigger results, for both young people and others. A number of Africa-wide reports have set out an agenda for economic transformation and creation of decent jobs, including ACET (2017), African Union (2014), McMillan et al. (2017), and the African Development Bank’s “High Five” Agenda.⁸ Although policy and investment priorities are context specific, these Africa transformation agendas generally include:

- industrial policy to increase private investment in labor-intensive manufacturing and services;

- reducing infrastructure gaps and bottlenecks—more and cheaper energy, more reliable surface transportation (road and rail), enhanced and better functioning ports and logistics sectors;
- increasing productivity and commercialization in agriculture and supporting the development of a robust agro-processing sector;
- regional trade integration to create larger markets with economies of scale;
- support for technology transfer and innovation;
- deepening domestic and regional finance and promoting financial inclusion for households and small businesses; and
- regulatory reforms to create “smart” regulations that reduce transaction costs and risk while protecting human rights and property security, respecting core labor standards, ensuring contract enforcement, and encouraging, not discouraging, new firm entry and robust competition.

Third, although youth is widely understood as the third stage of knowledge and skill development (after early childhood and childhood), it is time to fundamentally rethink approaches that focus on narrow vocational training instead of the higher-order cognitive skills taught in general secondary school. A better (and cheaper) approach would be to broaden access and reform secondary education (including assessment) so that it does a better job of developing the socioemotional skills valued by employers and useful for life. Ensuring better

⁸ “African Development Bank (2015) The High 5s for Transforming Africa.” Available at: <https://www.afdb.org/en/high5s>

educational outcomes from basic education for disadvantaged youth, especially girls and all those in rural areas, would also help youth navigate the labor market as the economy becomes more complex and incorporates more advanced technology.

It is not unusual for young people to experience some difficulties and frustrations with the school-to-work transition. In interviews, youth who leave secondary school express frustration at not knowing how to find opportunities or even what types of opportunities (wage or self-employment) might be available (Fox, 2019). Programs that aim to build the socioemotional skills needed for economic and social integration, and active citizenship, as well as helping youth find mentors and experience different opportunities may be cost effective, as they are generally cheap (Fox and Kaul, 2018). Nurturing confidence, agency, and civic and political skills to negotiate better outcomes, including better and safer working conditions, would serve youth well in various areas of their adult lives.

And fourth, it is important to insist on and to develop social protection measures to provide relief from the high-risk environment that affects almost everyone in sub-Saharan Africa, regardless of age. Indeed, evidence is growing that cash transfers are a more effective and cheaper form of support for youth trying to find their way to economic independence than most of the more expensive youth-specific interventions (Fox and Kaul, 2017). Cash-based social policy measures can also additionally stimulate demand for more goods and services provided by low-income workers. Acknowledging that jobs for young Africans are not just one more training session, micro-loan or start-up incubator away—and that training does not foster broad-based job creation—opens up space to think about a new generation of social protection interventions that would help, in the short term, to mitigate the worst effects of the missing jobs crisis.

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