



THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE

YOUTH UNEMPLOYMENT IN AFRICA: Capacity Building and Innovative Strategies

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THE AFRICAN CAPACITY BUILDING FOUNDATION

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This Occasional Paper establishes that African countries need to pursue economic diversification and structural transformation vigorously using appropriate policies and institutions that address inclusive growth priorities. In addition, good governance and a committed national leadership with a developmental vision are crucial ingredients. Any capacity building interventions have to be crafted taking these priorities into account as well as the contextual factors that determine a particular country's economic direction.

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YOUTH EMPLOYMENT IN AFRICA:
Capacity Building and Innovative
Strategies from Botswana, Namibia,
South Africa, and Swaziland

PREFACE

In 2009, the African Union Commission declared the years 2009–2018 as the Decade for Youth Development and approved a plan of action to implement identified priority activities during the decade. Moreover, through Agenda 2063, African countries call for action to support young people as drivers of Africa’s renaissance—through investment in their health, education, and access to technology, opportunities, and capital, and concerted strategies to combat youth unemployment and underemployment.

Worldwide, as well as in every African country, jobs and opportunity for the youth are consistently at the top of development agendas. By 2050, 29 percent of the total world youth population will live in Africa. For African countries, youth represent a challenge as well as an enormous opportunity, particularly now, when populations in other parts of the world are aging. Young people, while needing jobs, are also critical in creating them.

It is against this background that the African Capacity Building Foundation (ACBF) has produced this occasional paper under its supported Strategic Studies Group. The aim is to provoke evidence-based discussion, and encourage further investigation of critical capacity challenges that need to be addressed to tackle youth unemployment issues in Africa.

This occasional paper assesses the causes and impacts of youth unemployment in Botswana, Namibia, South Africa, and Swaziland. It profiles and characterizes the status and nature of youth unemployment—and identifies the challenges, implications, and gaps—to find ways to address it. Stakeholder and expert consultations with development partners, government, the private sector, and nongovernmental organizations in addressing youth unemployment were carried out, as such research is crucial for identifying capacity gaps and key policy aspects to address it. The consultations were complemented with a review of success stories and best practices to inform strategies to tackle youth unemployment and refine policy approaches toward inclusive, employment-creating, and sustainable growth strategies.

The paper’s findings show that capacity gaps emerge in institutional frameworks, policy and program development and implementation, and (most important) the quality of education, notably its adequacy and relevance for addressing constraints and challenges for youth unemployment in Africa. Capacity development efforts need be directed toward potential employment-creating sectors, such as agriculture, manufacturing, and small and medium enterprises, which can absorb the growing labor force.

Through its individual and institutional capacity building interventions, the ACBF has helped tackle youth unemployment by creating training programs in economics, policy analysis and management, and science and technology; establishing policy institutes and think tanks to help the policy environment shape countries’ job-creating potential; and producing and disseminating knowledge and experience required to guide policymakers in unlocking the potential of young people.

The ACBF believes that, in addition to its support in establishing think tanks and policy institutes and strengthening individual and institutional capacities throughout the continent, the production of knowledge can help enhance evidence-based policymaking processes. Our hope, therefore, is that stakeholders and development partners will join us to continue the journey of strengthening human and institutional capacity for sustainable development in Africa.

Professor Emmanuel Nnadozie
Executive Secretary
The African Capacity Building Foundation

ACKNOWLEDGEMENTS

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The paper was produced as part of the African Capacity Building Foundation (ACBF) Strategic Studies Project, which aims to provoke discussions and raise awareness about strategic issues of importance to Africa and its development agenda. Strategic studies topics were selected through a consultative process by members of the Policy Institutes Committee and the Strategic Studies Group. Special thanks to members of both networks. In addition, we thank the Strategic Studies Group for its critical review of the manuscript.

The ACBF wishes to acknowledge the efforts of the researchers who conducted the studies to generate this paper. Dr. Grace Tabengwa coordinated the overall study and led the research team—Ms. Achieng Okatch, Ms. Naledi Modisaatsone, Mr. Johane Motsatsi, and Ms. Pelontle Maphula. The research team acknowledges the invaluable input from stakeholders, development partners, think tanks and experts, government ministries and youth departments, youth leaders, private sector institutions, and individuals who contributed and participated in the stakeholder engagements conducted in Botswana, Namibia, South Africa, and Swaziland.

The research team also extends its heartfelt appreciation to the African Development Bank Team of South Africa: George J Honde, Principal Country Economist; Benedict V. Kunene, Principal Education Analyst; and Wolassa Lawisso Kumo, Senior Country Economist. It also thanks Osten Chulu, Senior Economist, United Nations Development Programme (UNDP) South Africa; and Calvin Mkasi, Policy Development Specialist, National Youth Development Agency. The team acknowledges the expert input from Ms. Elene Imnadze, Country Representative, the World Bank Botswana Office, who also assisted with documents on youth unemployment in Botswana and other countries that contributed immensely to appreciating policy and capacity gaps in Botswana and elsewhere and to proposing solutions for addressing youth unemployment. The team expresses its gratitude to UNDP officials in South Africa and Namibia, and the United Nations Population Fund in Botswana. The team also expresses sincere gratitude to the Swaziland Economic Policy Analysis and Research Centre group led by Sive Kunene, Research Fellow, which helped the team complete the Swaziland Stakeholder Questionnaire and offered policy expert insight on youth unemployment in that country.

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This occasional paper benefited from the insightful comments from Professor Victor Ayeni and Professor Temilade Abimbola, who served as external peer reviewers. It also benefited from internal reviews by ACBF staff.

About the African Capacity Building Foundation

The African Capacity Building Foundation (ACBF) is Africa’s premier institution in capacity building. Established in February 1991, ACBF builds human and institutional capacity for good governance and economic development in Africa. The Foundation has empowered governments, parliaments, civil society, private sector, and higher education institutions in more than 45 countries and six regional economic communities. It supports capacity development by way of grants, technical assistance, and knowledge generation across the continent. ACBF’s vision is that of an Africa capable of achieving its own development.

About the Strategic Studies Group

The Strategic Studies Group (SSG) is an ACBF network of global development experts and practitioners made up of the ACBF Policy Institutes Committee, selected development partners, international development specialists, and the ACBF-supported training programs and university partners. The SSG assists the Foundation in identifying key policy and emerging issues requiring the attention of the Foundation and its stakeholders.

The SSG works with the ACBF to identify research themes and advises the Foundation on strategic and pertinent issues that need special attention. It also serves as a “review panel” that shapes, examines, and evaluates the high-level studies undertaken by the Foundation.

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ABBREVIATIONS

ACBF	African Capacity Building Foundation
AfDB	African Development Bank
ALMP	Active labor market program
FDI	Foreign direct investment
GDP	Gross domestic product
IMF	International Monetary Fund
ILO	International Labour Organization
MDGs	Millennium Development Goals
MICs	Middle-income countries
NYP	National Youth Policy
NYS	National Youth Service
NGO	Nongovernmental organization
NPC	National Planning Commission
OECD	Organisation for Economic Co-operation and Development
SADC	South African Development Community
SME	Small and medium enterprise
TVET	Technical and vocational education and training
WDI	World Development Indicators
UNDP	United Nations Development Programme
VET	Vocational education and training

All dollar amounts are U.S. dollars unless otherwise indicated.

EXECUTIVE SUMMARY

The challenges of unemployment, especially among the youth, have encouraged the African Capacity Building Foundation (ACBF)—a leader in capacity development among African countries—to commission research to identify strategies and capacity development priorities to address youth unemployment in Africa. This research falls under the theme *Youth Unemployment in Africa: Capacity Building and Innovative Strategies*.

As part of this research, this paper provides an assessment of the causes and impacts of youth unemployment among four Sub-Saharan countries—Botswana, Namibia, South Africa, and Swaziland. It profiles and characterizes the status and nature of youth unemployment—and identifies the challenges, implications, and gaps—to find ways to address it. Stakeholder and expert consultations with development partners, government, the private sector, and nongovernmental organizations were carried out, which are crucial to identify capacity gaps and key policy priorities. These were complemented with a review of success stories and best practices to inform strategies to address youth unemployment and refine policy approaches toward an inclusive, employment-creating, and sustainable growth strategy. This occasional paper assesses the causes and impacts of youth unemployment in Botswana, Namibia, South Africa, and Swaziland.

Assessing the growth versus unemployment performance achievements of the four countries and other African regions demonstrates that although African growth has been impressive over the last decade, averaging more than 5 percent from the early 1990s (AfDB 2015), the positive growth achievements have not translated into high employment generation rates. Overall unemployment is high, estimated in the Middle East and North Africa at 22 percent and in Sub-Saharan Africa at 17 percent, much higher than global average unemployment of 8 percent and 5 percent in Asian countries.

Coupled with high unemployment is growing youth unemployment, with rates far higher than overall registered unemployment rates in a continent where the population is growing and becoming younger. Youth unemployment in Sub-Saharan Africa is twice that of adults (12.8 percent versus 6.5 percent) and in North Africa nearly quadruples that of adults (27.1 percent versus 7 percent) (ILO 2012).

Growth rates do not guarantee productive employment for the increasing population and labor force. Among the four Sub-Saharan case study countries, Botswana and Namibia (with higher growth averaging more than 6 percent since the 1990s) have high unemployment of more than 15 percent, with youth unemployment estimated at more than twice that. In South Africa, though a larger economy, youth unemployment reaches 50 percent. South Africa's economic growth remains too low (about 3 percent) to generate the jobs to rein in the high unemployment. In Swaziland, growth rates are also low.

Generating higher growth requires capacity support at the national level because growth alone is insufficient to generate jobs, especially in countries such as Botswana where the private sector is still limited. Even in South Africa, which has a large private economy, generating the requisite jobs has been elusive. Identifying opportunities for growth is therefore a policy priority.

Labor force participation rates for the youth are lower among developing countries and those of the selected Sub-Saharan countries. As with overall unemployment, the proportion of young women constitutes a lower share of the total labor force, which indicates possible challenges

with labor market structure and policies. Discrimination by race in South Africa saw the majority of the black populace unemployed, with high unemployment among black youth and black women of all ages. The causes of current high youth unemployment include inadequate skills, lack of experience, and a mismatch between education and training and requisite job skills. Other factors include economies' low growth and job creation's slow pace.

The growing youth population has placed immense pressure on African countries to address youth unemployment, but their ability to generate employment among sectors such as agriculture and manufacturing is limited by infrastructure constraints. The youth's lack of entrepreneurial skills limits their ability to develop businesses that can generate employment and growth, and their lack of capital to exploit business opportunities limits their chances of starting and sustaining a business.

Strategies across the Sub-Saharan countries aim to address youth unemployment. These include support for establishing enterprises by the youth, training to develop entrepreneurial skills, farmers' funding, and education and training (including tertiary education). They have not led to a major breakthrough for employment, especially among the youth. Lack of youth involvement in the design and formulation of policies and programs has been cited as a major factor in the poor results. Inappropriate targeting, limited sustainable transformational impacts, and poor outreach between rural and urban areas and between males and females are areas that require further program development. Lack of capacity to implement policies to address youth unemployment, particularly on the mismatch between tertiary education and job needs, requires tighter policy focus.

Several capacity gaps undermine institutional frameworks, policy and program development and implementation, the quality of education and training, and their adequacy and relevance for youth entering the labor force in Sub-Saharan countries. Other areas to prioritize include support to harness the potential in the agriculture and manufacturing sectors, as well as in trade and enterprises, to create jobs. Human capital development partnerships can provide expertise and resources to develop infrastructure, which is often a constraint in agriculture, where the cost of water, power, technology, and transport limits its potential to create jobs.

Capacity and policy gaps in the following areas must be plugged to tackle youth unemployment: data on the youth and the labor market; research for diagnosing youth unemployment problems; and institutional factors (lack of coordination, fragmented policies, weak capacity for policy implementation, inadequate capacity for governments to make timely decisions, paucity of good communication, timely planning, solid decision making, and political will). Other areas include education-system capacity, and training and skill development (including mismatch between tertiary skill development and labor market needs, and lack of entrepreneurial sensitization from primary grades in school); lack of finance for setting up a business; weak government program design, quality, and delivery; and poor program evaluation, monitoring, and evaluation.

The long and difficult agenda to address these concerns will take time to deliver, and so requires attention to managing transitions and sequencing reforms. Countries that have tackled youth unemployment indicate the need for reform and flexibility in the labor market.

Two main elements are crucial—blending social protection and employment strategies in the short term to ensure continued progress on poverty reduction; and building sustainable, high-quality employment in the medium term through structural transformation (World Bank 2014). The former requires continuing with effective poverty eradication initiatives, including the promotion of self-employment and micro-enterprises; ensuring sustainability of agricultural

support programs; linking social protection to active labor market programs; and improving labor market data. The latter broadly entails harnessing the potential for sectors such as agriculture, tourism, and manufacturing to contribute to structural transformation and sustainable job creation; developing a dynamic and productive private sector (formal and informal); raising the quality of education and closing skill gaps; and reforming the public sector.

CHAPTER 1. INTRODUCTION

Over the last decade, Africa's robust growth outperformed the global growth rate. Between 2004 and 2013, Africa's high growth was largely driven by Sub-Saharan Africa and its emerging and frontier economies (appendix table A1.1). Six of the world's 10 fastest-growing economies were in Sub-Saharan Africa. The region has shown resilience after the financial and economic crises of 2008, returning to growth of about 5 percent in 2013 (table 1.1; World Economic Outlook 2013). But high poverty, inequality and unemployment rates, particularly among the youth, persist among Sub-Saharan countries.¹

Table 1.1 GDP growth, 2008–2013

	2008	2009	2010	2011	2012	2013	Projections	
							2014	2015
World	3.0	0.0	5.4	4.1	3.4	3.3	3.3	3.8
Advanced Economies	0.1	-3.4	3.1	1.7	1.2	1.4	1.8	2.3
Emerging Market and Developing Countries	5.8	3.1	7.5	6.2	5.1	4.7	4.4	5.0
Commonwealth of Independent States	5.4	-6.2	5.0	4.8	3.4	2.2	0.8	1.6
Emerging and Developing Asia	7.1	7.5	9.5	7.7	6.7	6.6	6.5	6.6
Emerging and Developing Europe	3.2	-3.6	4.7	5.5	1.4	2.8	2.7	2.9
Middle East, North Africa, Afghanistan, and Pakistan	5.2	2.3	5.3	4.4	4.8	2.5	2.7	3.9
Latin America and the Caribbean	3.9	-1.3	6.0	4.5	2.9	2.7	1.3	2.2
Sub-Saharan Africa	6.3	4.1	6.9	5.1	4.4	5.1	5.1	5.8
Low-Income Developing Countries	6.1	6.0	7.3	5.2	5.2	6.0	6.1	6.5
Emerging Market Countries	5.8	2.9	7.5	6.3	5.1	4.6	4.3	4.8
Fragile States	4.3	4.5	5.1	1.0	15.0	3.9	1.2	5.5
Small States	4.0	0.6	2.9	3.5	2.7	2.1	2.7	2.3

Source: World Economic Outlook 2013.

Global unemployment remained stable at 8 percent between 2010 and 2011. Gallup surveys in 148 countries show that unemployment was highest in the Middle East and North Africa (22 percent), Sub-Saharan Africa (17 percent) and lowest in Asia (5 percent) (appendix table 1.1). Seventeen percent of the world's workforce was underemployed in 2011, a slight decline from 18 percent in 2010. As with unemployment, underemployment rates are highest in Sub-Saharan Africa (32 percent) and the Middle East and North Africa (also 32 percent), and lowest in Asia (13 percent) (ILO 2012). Countries and territories such as South Africa, Botswana, Swaziland, Iran, Iraq, and the Palestinian Occupied Territories have among the highest unemployment rates in the world, largely driving the high unemployment rates in the Middle East and North Africa and Sub-Saharan regions. Employment in Botswana, however, is lower (20–29 percent) than that of South Africa and even Zimbabwe—where 30–39 percent of their able-bodied citizens are employed full time (ILO 2013).

¹ Definitions: The broad definition of the labor force includes discouraged jobseekers, while the narrow/official definition excludes them. The unemployment rate refers to the percentage of the total labor force currently unemployed. The standard International Labour Organization (ILO) definition of unemployment is the proportion of people in the labor force who say they were not working and were looking for work in a given period (usually the past seven days). The labor force consists of those who are employed or unemployed and looking for work, and thus leaves out those who were not working or looking for work (including students and discouraged jobseekers). The youth unemployment rate constitutes the share of the total labor force age 15–24 years that is unemployed. One measure of the youth bulge is the proportion of young people in the working-age population, typically measured as the ratio of the population age 15–24 to the population age 15–64.

Youth unemployment in Sub-Saharan Africa is twice that of adults (12.8 percent versus 6.5 percent) and nearly quadruples that of adults in North Africa (27.1 percent versus 7 percent) (ILO 2013). Growth rates are not high enough to guarantee productive employment for the increasing population and labor force. With almost 200 million people age 15–24, Africa has the youngest population in the world (Assaad and Levison 2013), and that number will double by 2045.

Between 2000 and 2008, Africa’s working age population (15–64 years) grew from 443 million to 550 million, or 2.7 percent a year (World Bank 2011). The bulk of Africa’s unemployed people are under 25. Unlike other developing regions, Sub-Saharan Africa’s population is becoming more youthful, with youth as a proportion of the total population projected at more than 75 percent by 2015, due to the high fertility rate underlying the demographic momentum (AfDB 2012). It is expected that the number of young people will not decline for at least 20 years. Further, estimates show that about 133 million young people (more than 50 percent of the youth population) in Africa are illiterate (AfDB 2012). Thus creating opportunities for the burgeoning number of youth is a necessity that cannot be solved at country level (Kararach, Hanson, and Léautier 2011).

Many young people have little or no skills and are therefore largely excluded from a productive economic and social life. Those that have some education often exhibit skills irrelevant to the labor market, where education and skill requirements are increasing, resulting in millions of un- and underemployed youth. Young women feel the sting of unemployment even more sharply. In most countries in Sub-Saharan Africa and all in North Africa, it is easier for men than women to get a job, even if the women have equivalent skills and experience (AfDB 2012).

Sub-Saharan Africa needs to bring in strategies to expand job availability and productivity for several reasons. First, most people in Sub-Saharan Africa depend on labor income to survive, and the number of poor in the region is still high. Second, the demographic dividend will result in a sharp increase in the working age population. By 2020, more than half of Sub-Saharan Africa’s population will be younger than 25, placing immense pressure on economies to boost growth and create employment. Absorbing these individuals into productive activities that help reduce poverty rates is crucial to avoiding social and political tensions that could derail much of the progress achieved thus far (IMF 2010).

The stubbornly high unemployment among the youth must be tackled. The African Capacity Building Foundation (ACBF), a leader in capacity development among African countries, has commissioned Strategic Studies Research to identify strategies and capacity development priorities under the theme Youth Unemployment in Africa: Capacity Building and Innovative Strategies. Among them, this study assesses the causes, impacts, and implications of youth unemployment among selected Sub-Saharan countries—Botswana, Namibia, South Africa, and Swaziland—to highlight ways for addressing youth unemployment in Sub-Saharan Africa. It discusses success stories and best practices to help refine current strategies and inform new ones. The study conducted expert interviews with key national youth bodies and ministries to gain insights on key policy issues in inclusive, employment-creating, and sustainable growth strategies to address youth unemployment.

The remainder of the study is organized as follows: The rest of Section 1 introduces the four country case studies and details the methodological approach. Section 2 reviews profiles and characterizes unemployment in the region, especially among the four countries. Section 3 focuses on causes and effects of youth unemployment (and current strategies for addressing it), and suggests some lessons. Section 4 highlights policy, institutional, and capacity gaps and presents solutions to plug them, drawing on the experiences of successful country cases and

policy approaches and stakeholder insights. Section 5 draws some conclusions and spotlights its recommendations.

Four Country Case Studies

This study assesses youth unemployment in four Sub-Saharan countries, selected because their high unemployment has persisted for many years despite relatively high growth, and due to proximity, data availability, ease of access to information, time frames, project budget, and resource availability.

Botswana has managed its resources to generate fast growth and has good institutional frameworks that have facilitated planning and development, political stability, and low corruption. But it has high unemployment (even though is an upper-middle-income country) and high poverty.

South Africa—though a large economy with high foreign direct investment (FDI), a strong trade and export profile with well-developed industries and a business sector—experienced many years of apartheid leading to high unemployment and poverty. It provides lessons on the impacts of politics as a cause of youth unemployment, which may characterize most conflict or fragile states in Africa.

Namibia and Swaziland, which are smaller, offer perspectives on youth unemployment in lower-middle-income countries. Swaziland as a low-growth country also indicates the possible implications of lower growth on capacity for addressing unemployment.

Methodological Approach

The assessment adopted the following approach.

Country data analysis. The study collected data on youth unemployment, growth, and employment, and compared the role of sectors in employment capacity absorption. It assessed government and private support for employment generation and youth programs, and reviewed urban–rural and male–female dimensions. It assessed key data from household surveys (albeit often old).

Country policy reviews. These reviews focused on policies and programs to address youth unemployment, and assessed policy gaps. Proposed reforms drew on lessons from the reviews, best practices, and success stories. Expert interviews provided issues for policy direction.

Literature review. This review on unemployment, specifically youth unemployment, highlighted the policy landscape and focused on successful strategies, including the role of stakeholders.

Stakeholder and expert consultations. The researchers conducted expert interviews with key national youth bodies, development partners, empowerment bodies, and ministries of youth to gain insight on new issues for policy reform. This aspect was handled through a short survey questionnaire to which policymakers and stakeholders responded (See Appendix 2 on ‘Addressing Study Scope Elements’).

Benchmarking success stories. The study reviewed programs and policies that have worked in countries that do not have high youth unemployment.

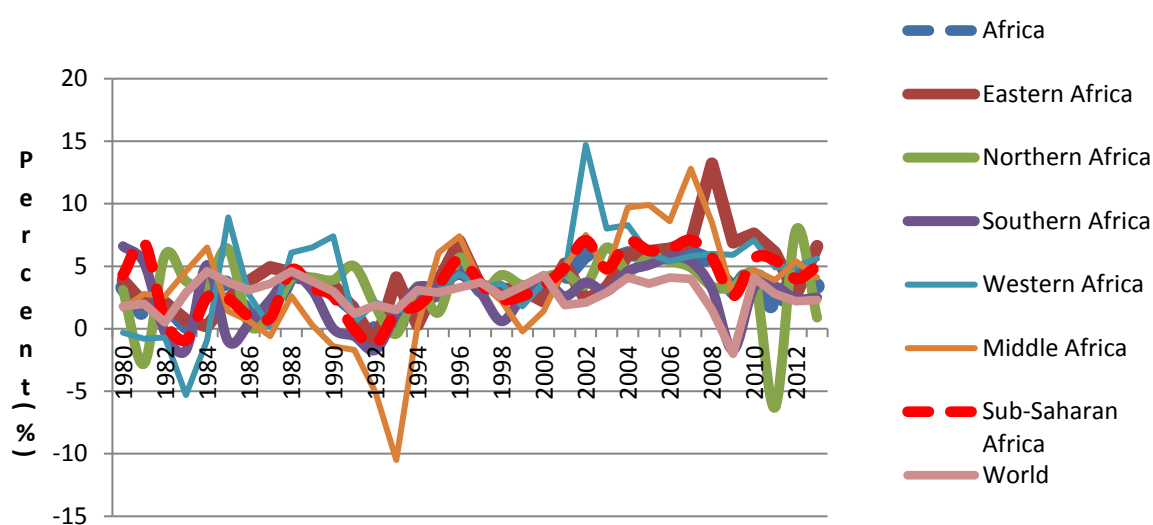
CHAPTER 2. YOUTH UNEMPLOYMENT IN SUB-SAHARAN AFRICA: FACTORS, PROFILE, AND IMPLICATIONS

Factors

Growth and Unemployment

Africa's average growth rate at above 5 percent surpassed the 3 percent world average growth rate over the last decade, driven by the growth achievements across regions since the early 1990s (figure 2.1). Despite the slump in growth after the financial and economic crises of 2008–09, which slowed world growth, Africa's growth has since recovered.

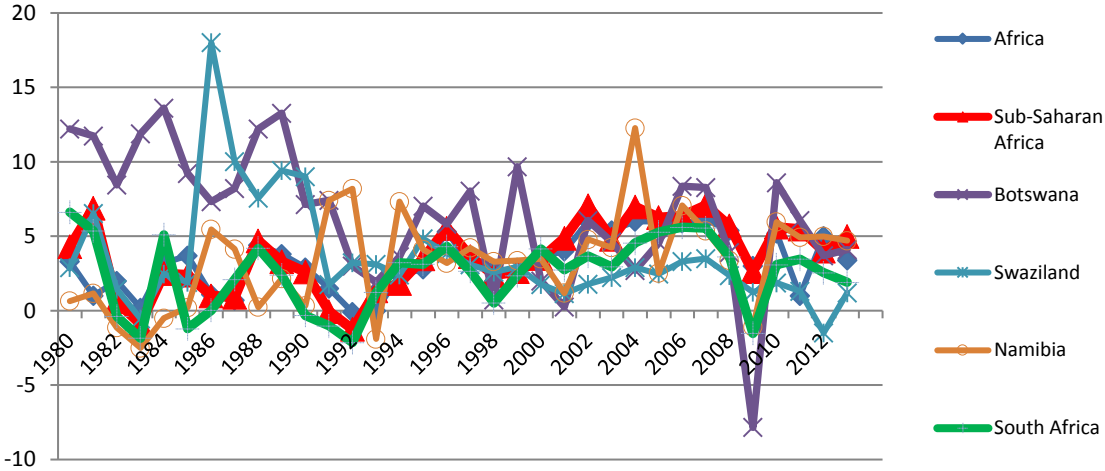
Figure 2.1 Real GDP growth rates (%)



Source: UN Statistics.

Africa's high growth was largely driven by Sub-Saharan Africa's emerging and frontier economies. Six of the world's 10 fastest-growing economies were in Sub-Saharan Africa. Botswana and Namibia feature among countries with higher growth (of about 6 percent) among Sub-Saharan countries since the 1990s. Swaziland has recorded generally low growth of 2.3 percent, and South Africa, though a large economy, 3.1 percent (figure 2.2). One noticeable pattern about Botswana's growth, averaging more than 6 percent, is the volatility and significant decline during the financial and economic crisis due to its heavy reliance on diamond exports, the economy's mainstay, and lack of diversity to sectors such as agriculture, trade, tourism, and finance.

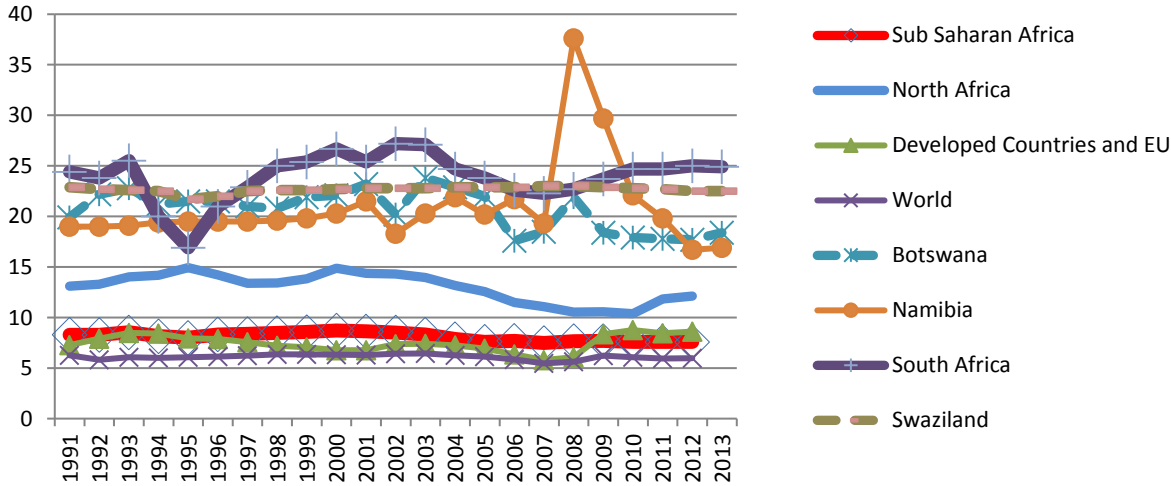
Figure 2.2 Growth performance (%)



Source: UN Statistics.

The positive growth prospects in the region led to anticipation of a faster pace for transformation and for addressing development challenges, particularly employment creation for youth, human capital development to build the requisite skill base, and poverty and inequality reduction. But despite strong growth, Sub-Saharan countries and North Africa still show high poverty, inequality, and unemployment rates, particularly among the youth, because growth has not translated into high employment generation. North Africa and Sub-Saharan Africa had higher unemployment over 1990–2013 than the global average of 8 percent in 2010–2011 (figure 2.3). Gallup surveys conducted among 148 countries show that total unemployment was highest in the Middle East and North Africa (22 percent) and Sub-Saharan Africa (17 percent) and lowest in Asia (5 percent). Among the four countries, even with fast growth, Botswana and Namibia also post the highest unemployment rates, showing that such growth is still not high enough to generate the number of jobs required.

Figure 2.3 Overall unemployment rates (%)



Source: UN Statistics.

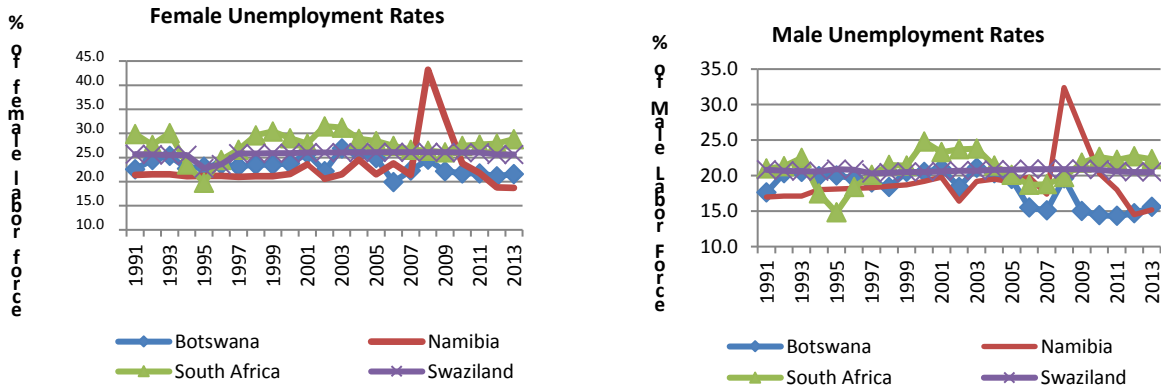
South Africa, with economic growth averaging about 3.1 percent, has the highest unemployment rate among the four case study countries despite being a large and relatively more diversified economy with a thriving private sector. It also has by far the largest population of the four. With a growing population, its labor force will also grow, putting pressure on the pace at which job creation must occur to absorb new entrants and reduce high unemployment. A major policy question is: What strategies can expand job creation capacity in the economy? This question is central for many African countries. In Swaziland, for example, the slowest growing economy of the four, overall unemployment stands at above 20 percent, well above the Sub-Saharan Africa average.

The four countries’ growth performance demonstrates that just hastening the pace of growth may not be enough to lower unemployment. Real efforts beyond the current strategies are needed, if the development achievements made so far are to be consolidated.

That high economic growth is insufficient to guarantee productive employment for all shows the lack of capacities among these economies to rein in unemployment. Growth performance has delinked from employment growth, presenting a major development challenge that requires strategic interventions that can lead to a rise in the rate at which jobs are being created to absorb the labor force’s growth. The question is whether these economies can expand their capacities to create even more jobs and where the potential lies, strategies that can serve these countries well to advance job creation.

Women have a higher proportion of the overall unemployed among the four countries (figure 2.4). Education achievements, discriminatory labor and racial practices, and social dynamics are the main factors.

Figure 2.4 Female and male unemployment rates



Source: WDI, World Bank.

South Africa has a heavy share of women among its unemployed, the general outcome among the four countries, which reveals that labor market policies require attention to bring more women into the labor market. Education access and empowerment schemes should be prioritized.

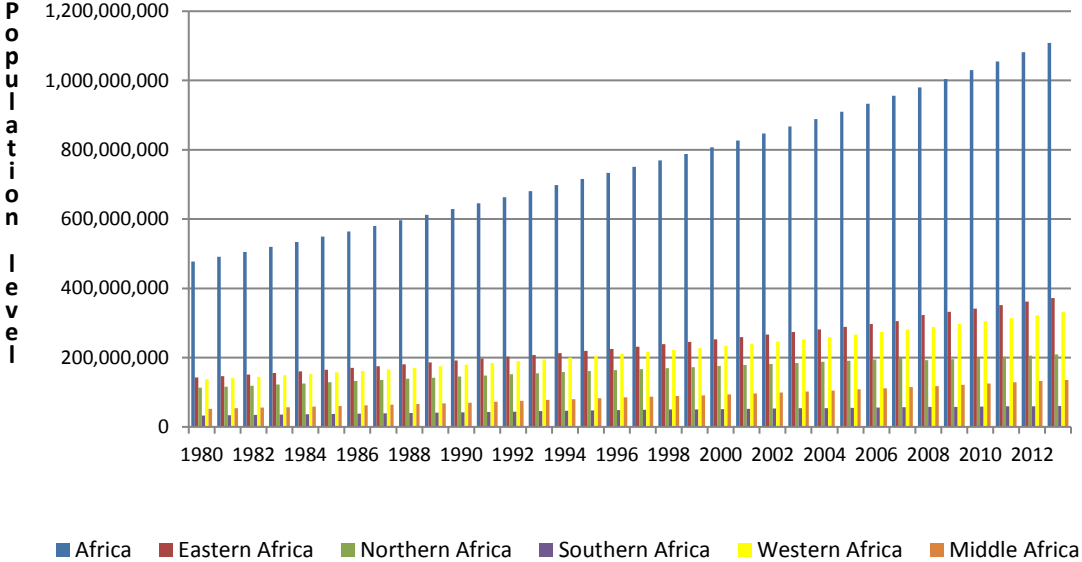
Africa’s population is predominantly rural with a large share of the labor force in agriculture. With rural activities a major part of the equation for job creation, any development agenda must recognize that in the short term rural activities—farm or nonfarm—have the potential to create occupations for most new jobseekers (Kararach, Hanson, and Léautier 2011).

Underemployment is a source of concern in high unemployment countries. Seventeen percent of the world’s workforce was underemployed in 2011, a slight decline from 18 percent in 2010. Underemployment rates are highest in Sub-Saharan Africa (32 percent) and the Middle East and North Africa (32 percent), and lowest in Asia (13 percent).

Population and labor force participation rates

Fast population growth in Africa (figure 2.5) is a challenge where unemployment is already high. The population is also growing younger, and the youth already constitute the bulk of the unemployed. Sub-Saharan Africa has the fastest population growth projected between now and 2050 and the highest youth population in the world. Many Sub-Saharan countries still have high fertility, creating a young population age structure. Sub-Saharan Africa’s youth population is increasing by 3.9 million people a year, for a projected rise to 5.2 million a year in 2025–2030 (World Bank 2011). Regions that experienced a rapid fertility decline, such as Asia and Latin America, saw a correspondingly rapid decline in their youth ratio.

Figure 2.5 Population levels



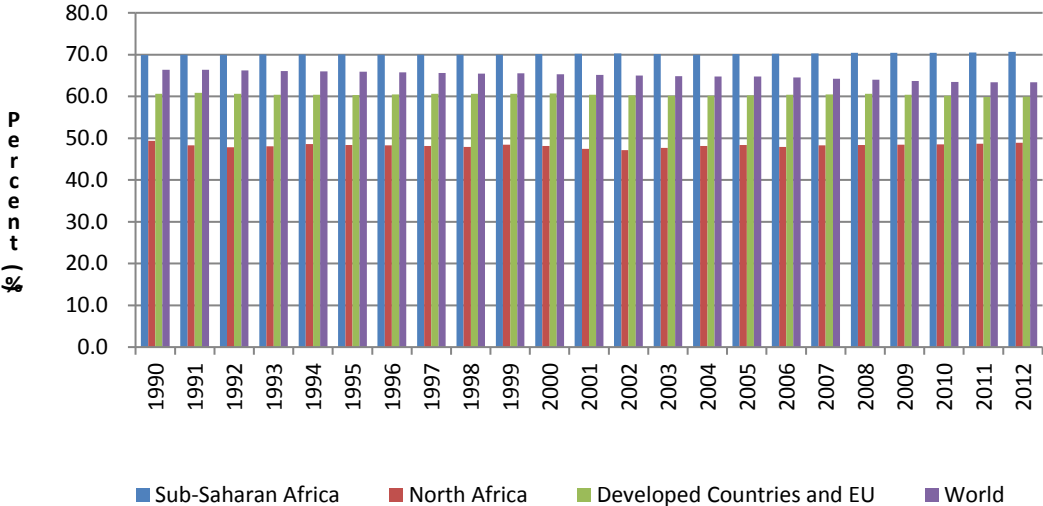
Source: UN Statistics.

With almost 200 million people between ages 15 and 24, Africa has the youngest population in the world, which is also growing rapidly (AfDB 2012). AfDB (2012) projects that young people in Africa will double by 2045, resulting in what has recently been termed the “youth bulge” (McKinsey Global Institute 2010). It is crucial that governments factor this bulge into national and social development planning. Between 2000 and 2008, Africa’s working age population (15–64 years) grew from 443 million to 550 million, or 2.7 percent a year (World Bank 2011). If this trend continues, the continent’s labor force will be 1 billion by 2040, making it the largest in the world, surpassing both China and India (McKinsey Global Institute 2010).

Africa’s youth population is not only growing rapidly, it is also getting better educated. Based on current trends, 59 percent of 20–24 year olds will have had secondary education in 2030, up from 42 percent today. This will translate into 137 million 20–24 year olds with secondary education and 12 million with tertiary education in 2030 (AfDB 2012). Although wide quality

gaps remain, these trends offer an unrivaled opportunity for economic and social development if the talents of this swiftly increasing reservoir of human capital are harnessed and channeled toward productive sectors. But they could also present a threat to social cohesion and political stability if Africa fails to create enough economic opportunities and jobs to support decent living conditions for this group (AfDB 2012). Youth employment challenges in Africa are often associated with rapid population growth.

Figure 2.6 Overall labor force participation rates (%)



Source: ILO, Trend Econometric Model, October 2013.

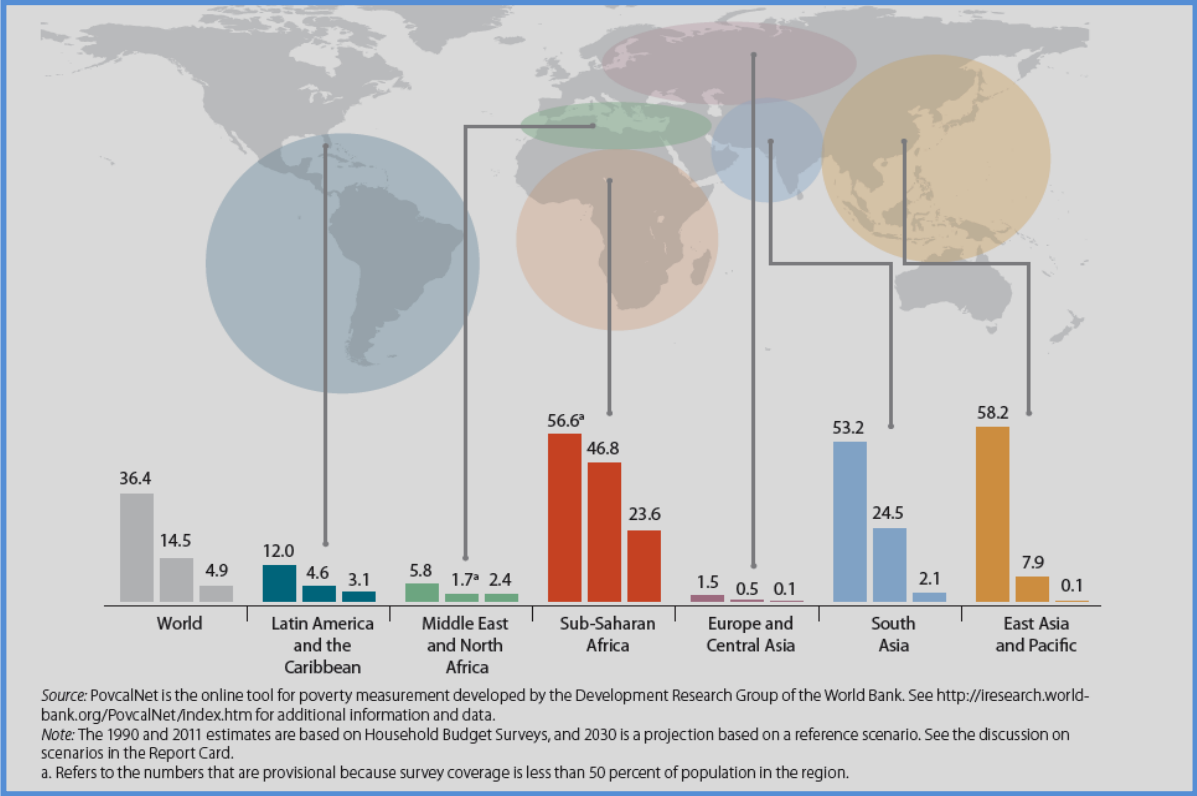
The rising population is also linked to lower labor force participation rates due to a limited absorptive capacity among countries, particularly for the youth. This is because the capacity to generate employment is low. (In Botswana for instance, reliance on mining has limited the potential for job creation because that sector is capital intensive.) Sectors with potential to generate jobs, such as agriculture and manufacturing, remain relatively small. Lack of skills, too, has been a constraint to opportunities for employment, especially among youth with inadequate skills and training.

While the youth can be crucial in spurring growth through increased productivity, if policies are not in place to absorb them into productive employment, they can become socially and political destabilizing—possibly generating an explosive fallout with millions of urbanized and educated youth without jobs.

Poverty and unemployment

The close association between poverty and unemployment warrants attention in Africa. Poverty is still widespread in Africa, which is also grappling with extreme hunger, as well as unemployment and inequality, which have increased over the past decade (UNECA 2005). Although GDP growth rates have been high, poverty rates, like unemployment, have remained high, contributing to high inequalities especially among Sub-Saharan countries. For example, a survey by Afrobarometer in 34 African countries between October 2011 and June 2013 indicates that poverty rates in Sub-Saharan Africa have gone down but that the number of people in poverty has increased despite a decade of relatively high growth.

Figure 2.7 Global and regional poverty rate estimates: 1990, 2011, 2030



Source: World Bank (2015).

Estimates show that although poverty rates continue to fall (figure 2.7), progress is uneven among regions and still high in Sub-Saharan Africa. Reversing this trend is a challenge that African policymakers have to address in the short to medium term to enhance the likelihood of achieving the African Union’s vision of an integrated, prosperous, and peaceful Africa. Without long-term solutions to high unemployment, more young people will fall into poverty.

High poverty and unemployment rates underscore the need to support the policy strategies put in place to drive the transformation and growth process in Africa. Since the dawn of the new millennium, African governments and the international community have adopted various initiatives. At the continental level, African Heads of State and Government adopted the New Partnership for Africa’s Development, which emphasizes African ownership of the development process and outcomes, and calls for interventions in agriculture and food security, regional integration and infrastructure, climate change and environment, human development, economic governance, and capacity development and women’s empowerment.

At the international level, world leaders adopted the Millennium Development Goals (MDGs) which called for, among others, a halving of the proportion of people living in poverty by 2015. That unemployment and poverty persist, despite the multiple strategies across countries, indicates the need to address current and emerging capacity and policy gaps.

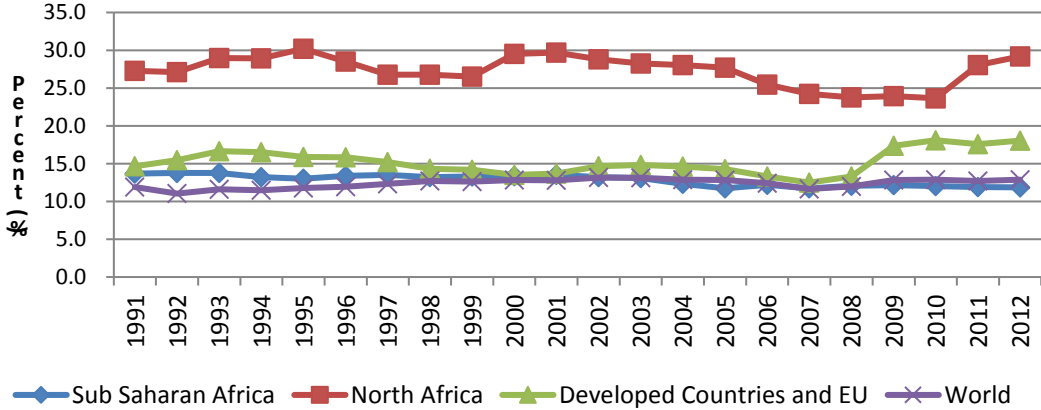
Profile

High youth unemployment

Unlike other developing regions, Sub-Saharan Africa’s population is becoming more youthful—youth as a proportion of the total is estimated to above 75 percent in 2015, due to the high fertility rate (AfDB 2012). It will likely be 20 years before this share declines.

Not enough jobs have been created to accommodate young people in search of work. The International Labour Organization (ILO) estimates that between 2000 and 2008 Africa created 73 million jobs, but only 16 million for people aged 15–24. As a result, many young Africans find themselves unemployed or, more frequently, underemployed in informal jobs with low productivity and pay. Of Africa’s unemployed, 60 percent are young people and youth unemployment rates are double those of adult unemployment in most African countries. The problem is acute in middle-income countries (MICs) (figure 2.8).

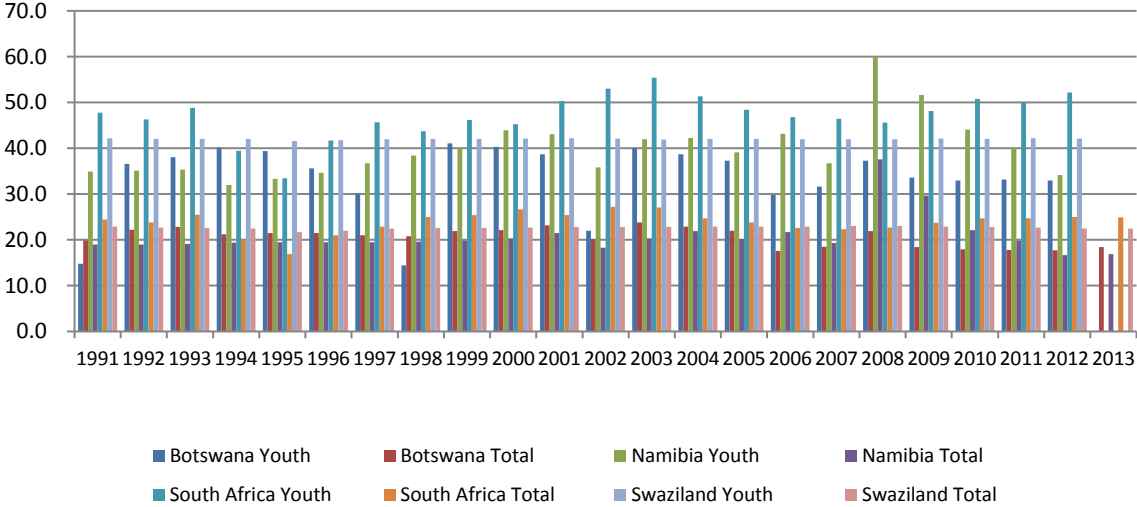
Figure 2.8 Youth unemployment rates



Source: ILO, Trend Econometric Models, October 2013.

In 2012 youth unemployment in South Africa was put at 50 percent, in Swaziland 40 percent, in Botswana 33 percent, and in Namibia more than 30 percent, or higher than the rate of overall unemployment (figure 2.9).

Figure 2.9 Overall and youth unemployment rates among the four countries

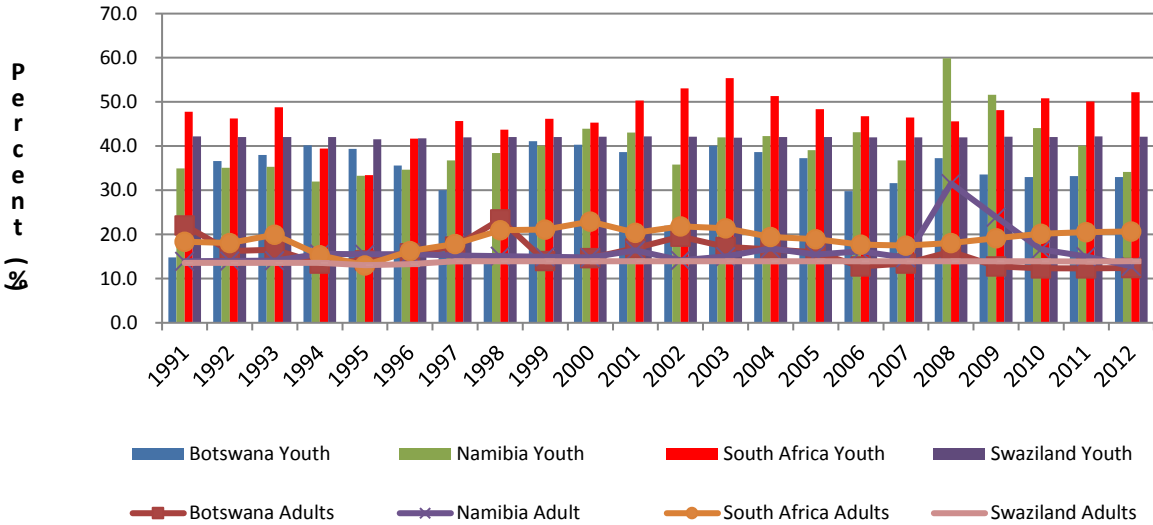


Source: ILO, Trend Econometric Models, October 2013.

Figure 2.10 contrasts youth and adult unemployment rates. For all four case study countries, youth unemployment rates exceed that of adults. In African MICs, the ratio of youth-to-adult unemployment is often higher than in other parts of the world: Southern African MICs such as Botswana have the highest unemployment rates for both the young and adults, whereas North African MICs have the highest youth-to-adult unemployment ratios. Swaziland, though a poor, slow-growth country, also posts a high youth unemployment rate relative to the adult rate.

The employment challenge in MICs is not confined to youth, and reflects insufficient employment capacity in formal and informal sectors (World Bank 2011). This emphasizes the need to address countries’ capacities to generate growth and expand employment.

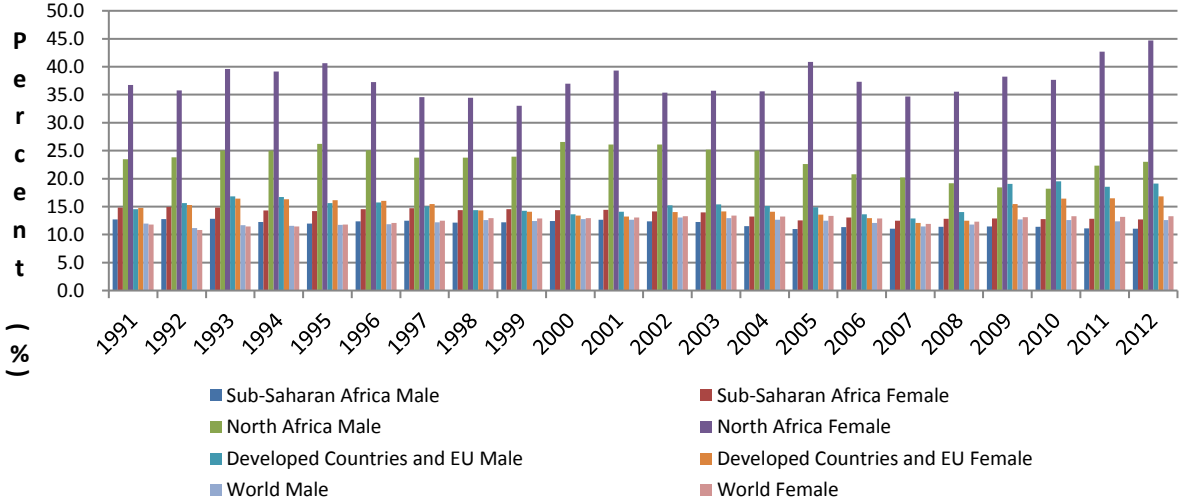
Figure 2.10 Youth and adult unemployment rates among the four countries



Source: ILO, Trend Econometric Models, October 2013.

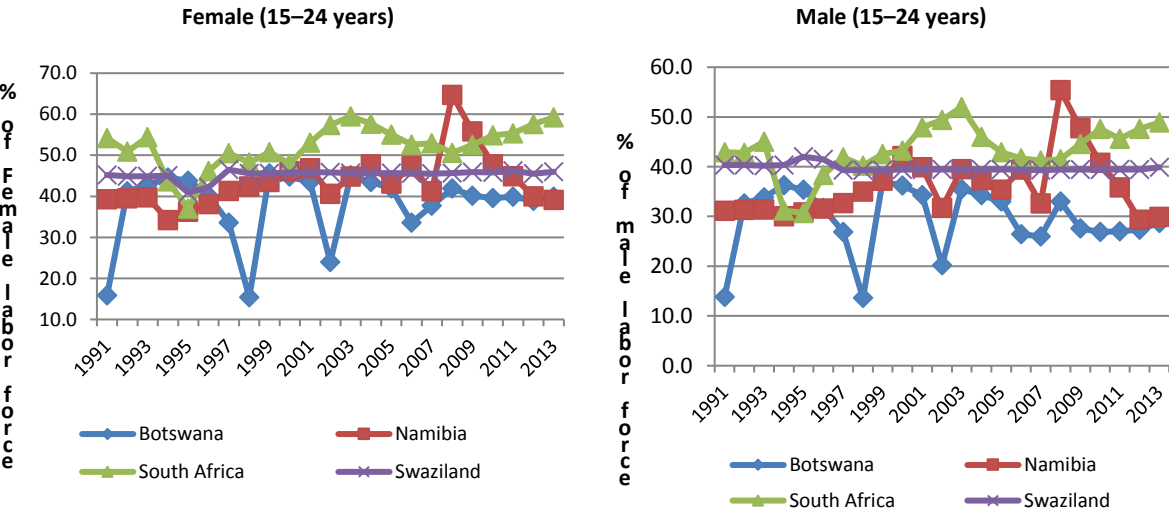
The rates of youth unemployment among women are higher than among men (figures 2.11 and 2.12), indicating lower youth labor force participation rates among women (figure 2.13).

Figure 2.11 Youth unemployment rates by sex



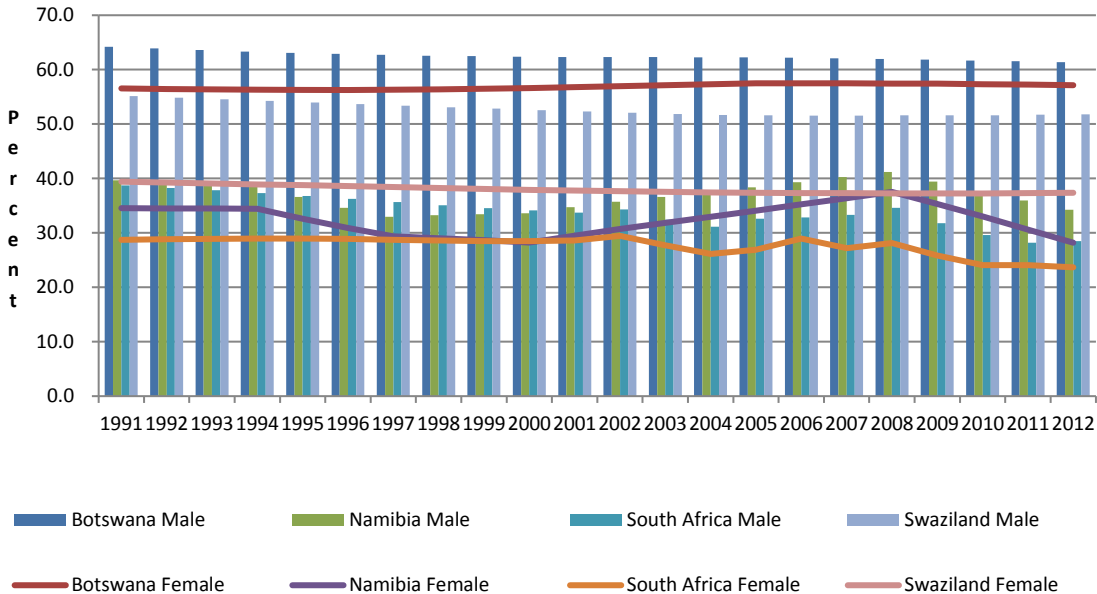
Source: ILO, Trend Econometric Models, October 2013.

Figure 2.12 Male and female youth unemployment (% of labor force)



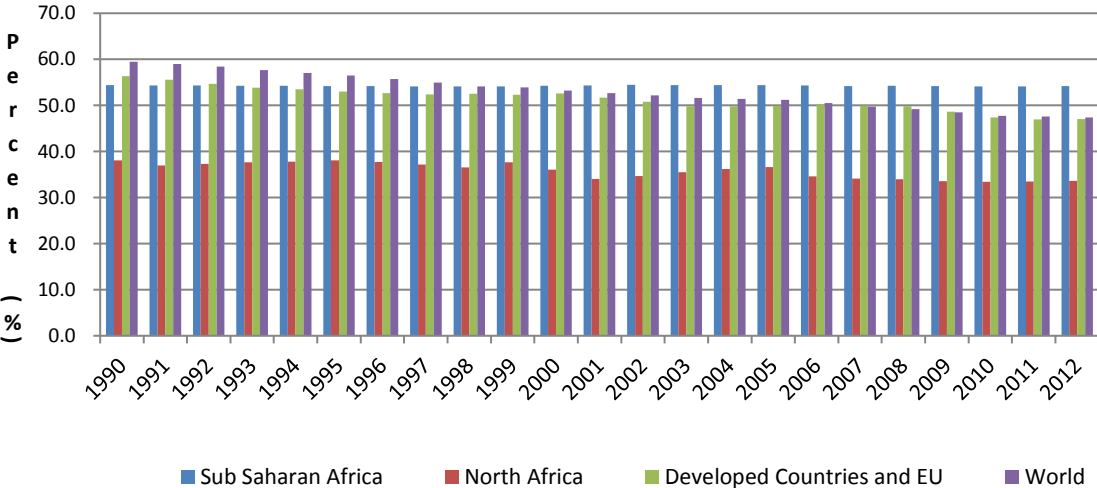
Source: WDI, World Bank.

Figure 2.13 Youth labor force participation rate by sex



Source: ILO, Trend Econometric Models, October 2013.

Figure 2.14 Regional youth labor force participation rate



Source: ILO Trend Econometric Models, October 2013.

Among employed youth, the proportion of work in informality is far higher than among adults. The rate for those not in education, employment, or training serves as an important additional labor market indicator for young people. It focuses on young people who have disengaged with the labor market and who are also not building on their skill base through education and

training. Close to one in three young South Africans age 15–24 were not in employment, education or training in the second half of 2012. This indicator, with 50 percent unemployment, shows that young South Africans struggle to join the labor market (Pelani 2014).

The impacts of unemployment could be even higher than suggested here because few labor market data include the discouraged, who are thus not counted among those in need of work. The broad definition of the labor force includes discouraged jobseekers, while the narrow/official definition excludes them. The narrow definition is the most often used.

This omission further underscores the severity of exclusion from labor markets faced by many young people in Africa.

Even on the data we have, high youth and total unemployment means that some 72 percent of the youth population in Africa live on less than US\$2 a day (World Bank 2009). The incidence of poverty among young people in Nigeria, Ethiopia, Uganda, Zambia, and Burundi is more than 80 percent (World Bank 2009). The highest rates of poverty are among young women and young people in rural areas.

Other impacts are linked to experience of the youth. The first years in the labor market, the skills developed, and the experience then accumulated considerably affect young people's future professional development. But long spells of unemployment, or underemployment in informal work, can "permanently impair future productive potential and therefore employment opportunities" (Guarcello et al. 2007). For the few that manage to obtain a formal job, usually offering increasing wages, initial unemployment can have lasting effects on lifetime earnings (OECD 2010a). The burden on young people is also seen in a low absorption rate of young people: that rate rises, but the unemployment rate declines, with age.

Limited Capacity and Opportunities for Employment Creation

This section examines the economy's structure and impact on employment trends between 2001 and 2012, reviewing the interaction between GDP and employment growth by sector. This is mainly to assess the links between sectors with the greatest value addition to GDP versus their contribution to employment generation among the four countries, and thus to gauge whether there is capacity to generate employment, and which sectors have this potential.

One would expect sectors that drove output growth in the period to be more likely to create jobs. However, for Botswana, although mining contributed significantly to output and industry growth, the sector does not contribute much to employment. Further statistics at country level in Botswana show a stagnating share of mining to the employment contribution. At the heart of the Botswana's challenge with employment, and more widely with inequality, is the extractives-based economy.

Before diamonds were discovered, Botswana was one of the world's poorest nations, with no real jobs or wealth-creating sectors apart from cattle rearing. Diamonds brought wealth to the government, but not jobs to the people, at least not directly. While mining accounts for up to 25 percent of Botswana's GDP, it contributes fewer than 15,000 jobs—just 2.5 percent of the total (World Bank 2014). Similarly, spillovers from mining's supply links are few. Moreover, the rural and peripheral populations, which remain substantial, have few opportunities for productive activities outside subsistence agriculture and livestock rearing.

In this historical and structural context, relatively high levels of unemployment and inactivity, and an imbalance toward public sector employment would be expected, until the economy goes through a structural transformation and develops a more diversified private sector base. This is normal in extractives economies, like Botswana, that are still in the first few generations

of development, and that face other structural constraints to competitiveness in diversified sectors, such as scale and geography. It is only when such extractives economies develop a competitive private sector base (for example, Chile, Norway, and Malaysia), through domestic entrepreneurialism and FDI, that sustainable private sector job creation typically becomes possible (World Bank 2014).

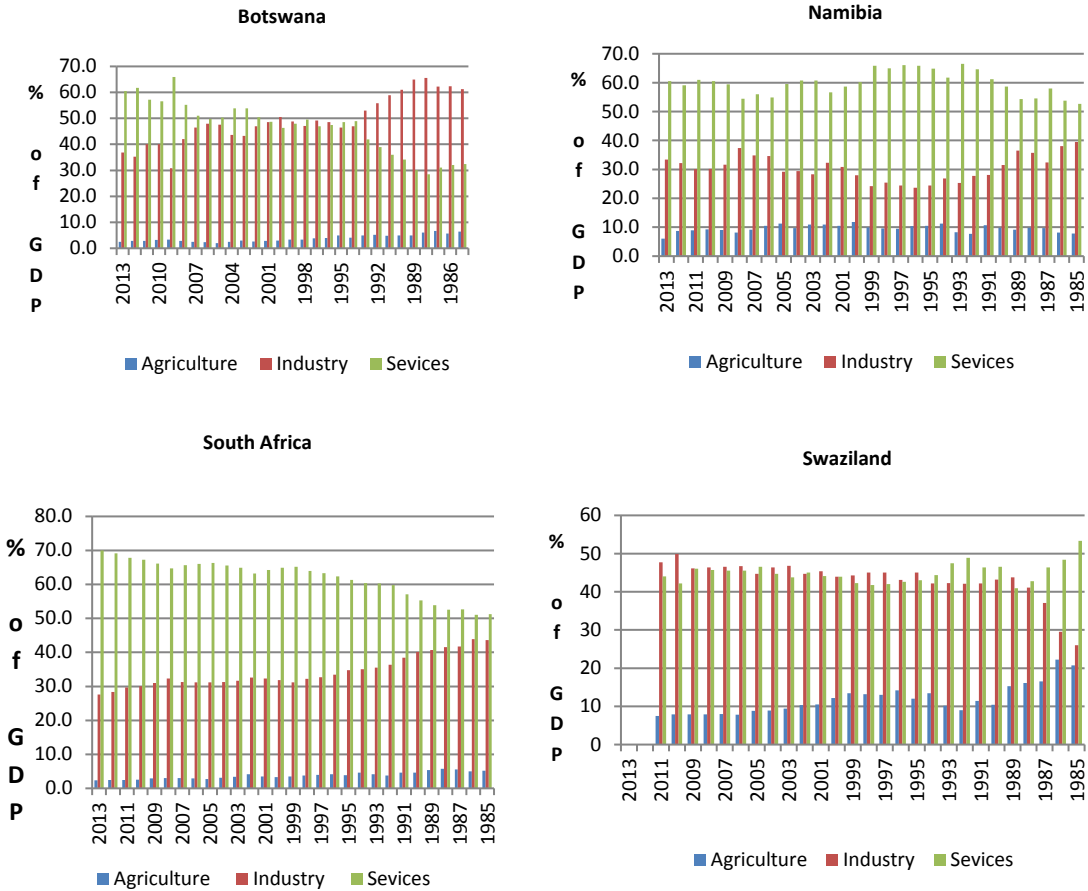
But unemployment is still high and labor force participation rates have declined across virtually all demographic groups and locations, and have been severe among younger age cohorts. Botswana's private sector in particular is struggling to create jobs: less than 20 percent of the working age population is earning a wage in that sector, and the formal private sector created on average just over 3,000 jobs a year over 2003–2010—little more than one job for every six Botswana entering working age (World Bank 2014). Elsewhere the nonfarm informal sector tends to play an important role when there is no deep private sector, but in Botswana the micro-enterprise sector remains small and not dynamic enough to absorb the increasingly large inactive labor force. This is not socially or politically sustainable.

These patterns—with growth coming in subsistence agriculture, the public sector, and local non tradables—raise major concerns over sustainability, as growth does not appear to be coming as a result of increased productivity and international (regional) competitiveness. Despite only moderate employment growth, labor productivity in Botswana declined between 2003 and 2010, although this was driven largely by declines in mining sector output. Labor productivity in the non-mineral economy grew by 4.8 percent a year in real terms (World Bank 2014). But most sectors that expanded employment did so at the expense of productivity, and the growth engines in the economy—those that deliver employment and output growth—were restricted to non-tradable services. Overall, the productivity story supports the one that emerges from the analysis of structural change: that transformation of the economy is proceeding slowly if at all, with competitiveness failing to improve.

The other three countries have sectors such as agriculture and manufacturing contributing to employment generation, although the pace is not high enough to address the prevailing unemployment rates. Among these countries, employment growth did not exceed output growth in any sector.

The share of agriculture has been declining in Botswana for example, and is a concern because the sector in the case study countries has the potential for transformation (ACBF 2012) and for jobs. Agriculture contributed less than 10 percent in GDP value added in all four countries (Swaziland included) from around the start of this century (figure 2.15).

Figure 2.15 Selected Sub-Saharan countries shares of GDP value added by sector

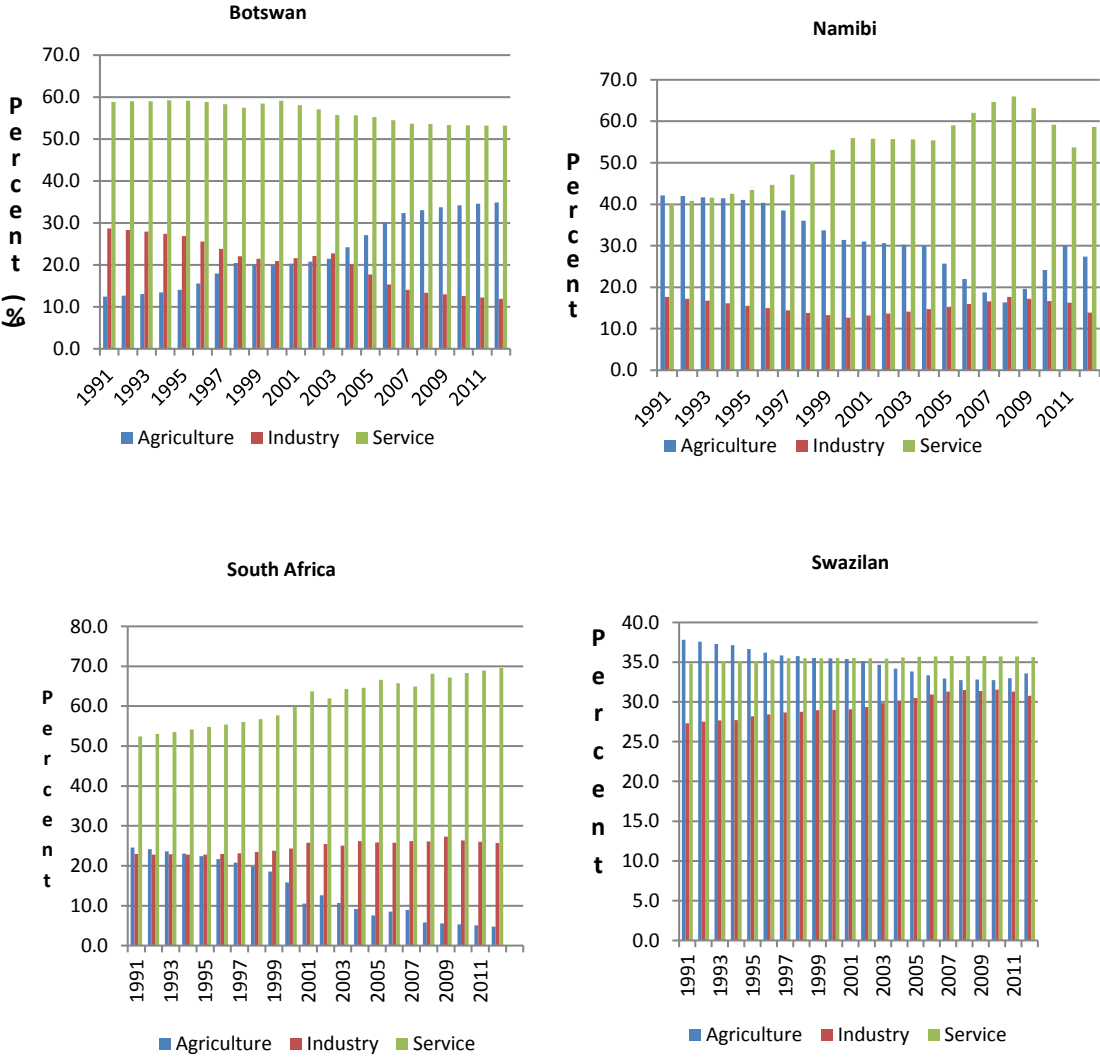


Source: WDI, World Bank.

Agriculture’s employment contribution is generally falling, but it still plays a prominent role in Swaziland (sustainably above 30 percent since the 1990s) (figure 2.16).

The poor performance of mining in the case of South Africa, can be attributed to a range of factors, including a strongly appreciating rand in the mid-2000s, infrastructure constraints (particularly rail transport), energy crisis in South Africa, and new mining laws), exacerbated by widespread strikes in in 2010 and 2011.

Figure 2.16 Selected Sub-Saharan countries sectoral employment shares



Source: ILO, Trend Econometric Models.

Industry growth beyond mining still has prospects that could be harnessed given that in Botswana, this has largely been driven by mining. Developing other industries can contribute to new growth drivers. Manufacturing has also been identified as fundamental for long-term growth and employment generation, given the benefits for inter-linkages with other sectors in production processes.

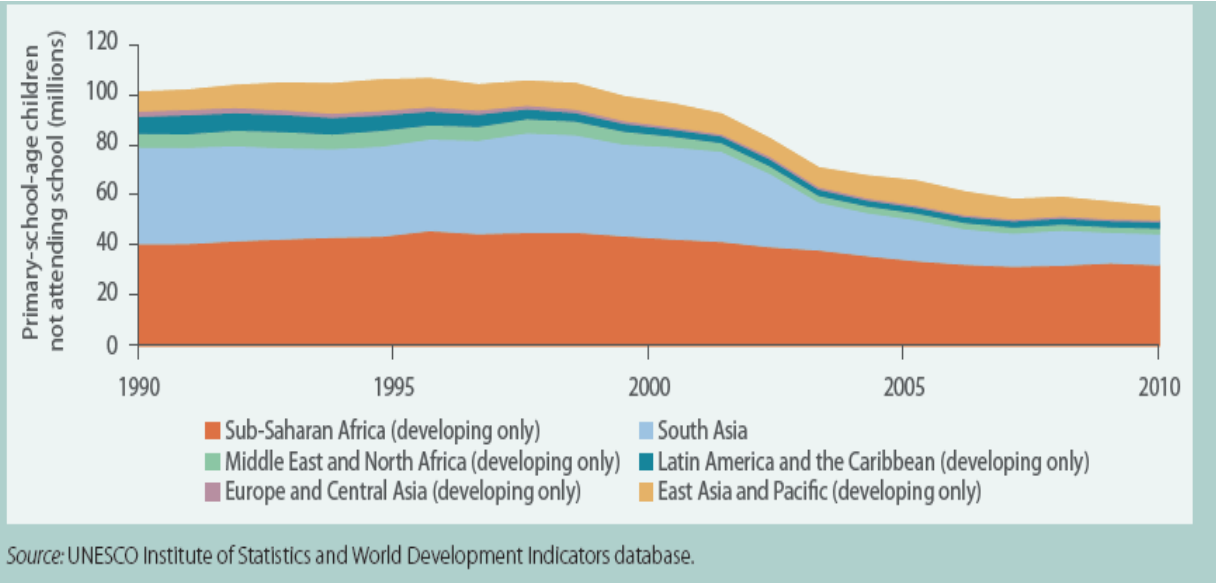
Among factors that can stimulate job creation in the African continent, Léautier and Hanson (2013) emphasize the creative use of agriculture, success in expanding market size, and innovation. Enhancing the productive capacity and thus the economic returns to agriculture effects poverty and job creation in three key ways.

Pressure from the youth bulge on education capacities

The growing (and increasingly youthful) population is putting immense pressure on the education system’s capacity to absorb the growing number of school entrants. Skill development among the youth depends on having access to education, from primary to tertiary. A major challenge in Africa is inequitable access to education, costs of education, and education systems that fail to match the needs of the labor market. That many African youths

have poor education and skills is linked to the huge numbers of children who cannot go to school, especially in Sub-Saharan Africa (figure 2.17). The response requires education sector capacities to be expanded steeply, from basic foundations.

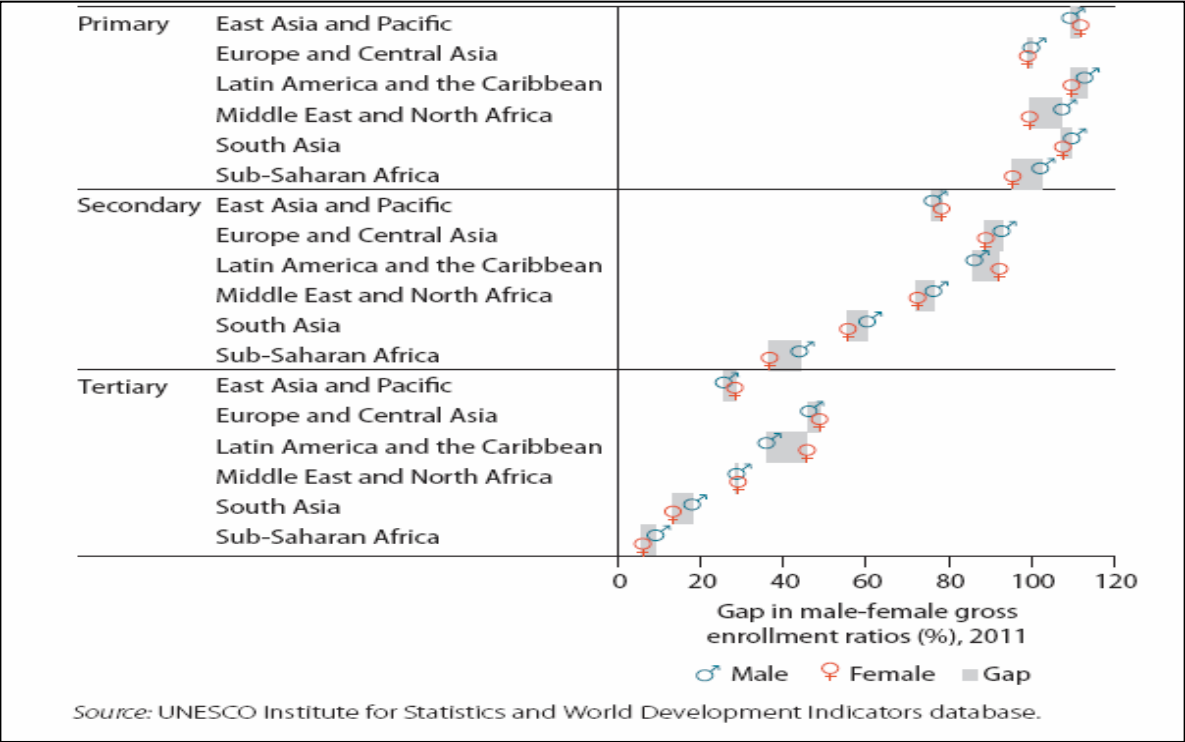
Figure 2.17 Primary school-age children not attending school (million)



Source: UNESCO Institute of Statistics and World Development Indicators database.

Gaps between boys and girls on education access percolate from primary to tertiary level, and affect unemployment rates between the sexes. Even though in Sub-Saharan countries the gap in male-female enrollment ratios by education level has been narrowing (UNESCO 2007), Sub-Saharan Africa continues to lag behind other regions (figure 2.18).

Figure 2.18 Gap between male–female enrollment ratios (%), 2011

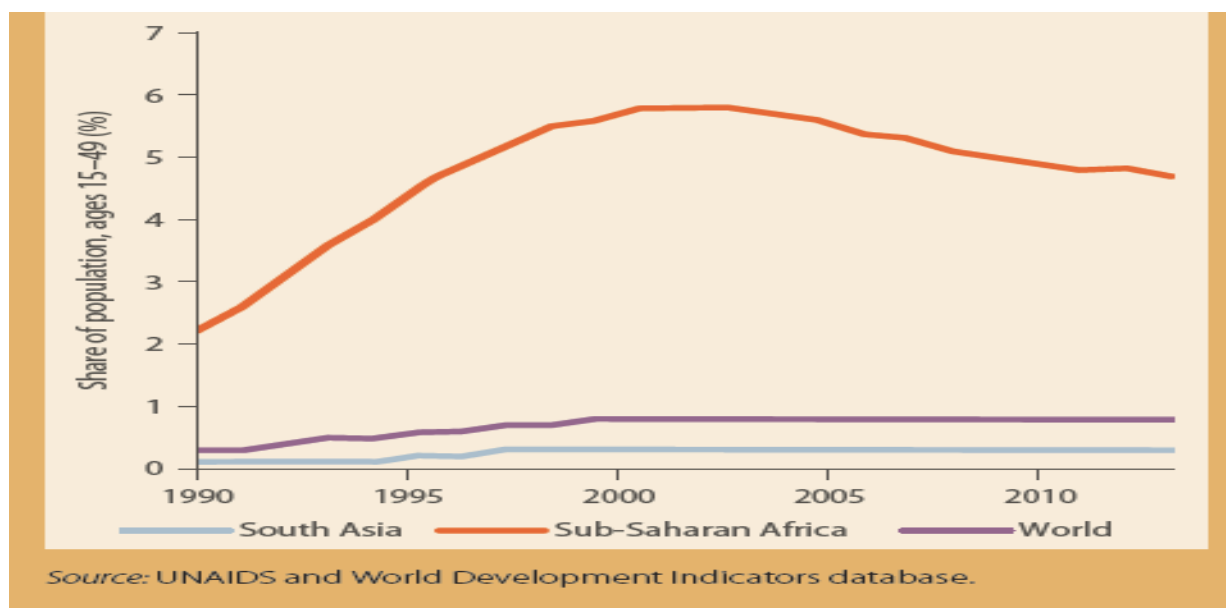


Source: UNESCO Institute for Statistics and World Development Indicators database.

HIV/AIDS

HIV/AIDS is a major health challenge in Sub-Saharan Africa. The youth remain vulnerable to its impacts. Sub-Saharan Africa has the largest proportion of the 15–49 age group affected by HIV/AIDS (figure 2.19; UNAIDS 2013), including the four countries. Building capacities for stakeholders and for health systems remains a policy priority to secure the health of the youth. Also, for countries such as Botswana where the government is a heavy spender on free anti-retroviral medication, budget sustainability is a concern. Strategies to curb the epidemic in Africa remain a policy priority with scope to improve public awareness and effectiveness.

Figure 2.19 Share of population with HIV/AIDS (%)



Implications

Growth alone is not enough to tackle unemployment

High growth rates are not a magic bullet for unemployment—Botswana and Namibia have about 6 percent growth but also post the highest unemployment rates among the four Sub-Saharan countries. And in countries where growth is slow and high unemployment persists, a major challenge is to identify growth opportunities and open other growth avenues that generate sustainable employment. But many African countries lack the capacities to do this, as seen in Botswana. Most countries still depend on few sectors for growth.

Population growth challenge vs. sustainable employment prospects

Youth unemployment remains far higher than adult and overall registered unemployment in the four countries. The lack of capacity by other sectors such as agriculture and manufacturing to leverage their potential in generating employment compounds unemployment. Constraints facing them include poor infrastructure and high costs to develop it, and lack of funding and modern equipment to enhance productive capacity.

A limited private sector slows the rate of job creation in Botswana, Namibia, and Swaziland, while South Africa's large private economy faces constraints from its large and growing population and from the economy's capacity to lift growth. These issues require interventions to address youth unemployment at institutional and policy level and to boost implementation capacities, including better-focused programs. Capacity is at the heart of sustainable development and African countries require that capacity to harness their vast domestic resources to leverage and allocate to the right priorities the funds it has (ACBF 2012).

That rural employment is not sustainable is a major concern among the case study countries and African countries more widely. High unemployment rates have implications for poverty as without long-term employment solutions, more young people will fall into poverty. The slow decline in poverty in Sub-Saharan Africa, where the youth form a significant proportion of the population, is an urgent policy matter to avoid social risks.

Capacities to address unemployment vs. poverty implications

The high poverty and unemployment rates indicate the need to support the policy strategies put in place to drive the transformation and growth process. Although social safety nets have played a pivotal role in some countries in eradicating poverty and supporting the unemployed, concerns stem from programs' sustainability, owing to limited government financial resources.

The formal private sector's failure to deliver high-quality employment for a growing youth population remains a major problem in the four countries and represents a serious barrier to structural transformation. Moreover, the small size and relative lack of dynamism in the nonfarm informal sector means it has been ineffective at absorbing the large and growing inactive labor force. The policy agenda to address these concerns is a large and difficult one that will take time to deliver, and so requires attention to managing transitions and sequencing reforms (World Bank 2014). The World Bank (2014) suggests two main policy priority areas: building sustainable, high-quality employment and blending social protection and employment strategies (discussed below).

Limited education capacities to create requisite skills

The growing population places pressure on the education sector. In Sub-Saharan Africa, one main cause for high youth unemployment is the lack of training and the mismatch between education delivered and labor market needs. The capacity of the education system remains a main area for development to ensure that high-quality systems are in place to ensure competitive labor outcomes.

CHAPTER 3. CAUSES AND EFFECTS OF YOUTH UNEMPLOYMENT, STRATEGIES FOR ADDRESSING IT, AND LESSONS

Causes and effects among the four case study countries

This section reviews the causes and impacts of youth unemployment among the four countries and other African countries. This is crucial for mapping strategies to address constraints and challenges of youth unemployment. The assessment of causes and impacts provides insights on gaps for policy direction and areas for capacity development in addressing youth unemployment. The section draws on stakeholder consultations in the four countries and the literature.

South Africa

South Africa is ranked as an upper-middle-income economy by the World Bank, one of only four in Africa (the others being Botswana, Gabon, and Mauritius). South Africa is a youthful country where almost 67 percent of the population is made up of young people and a third of the working age population is made up of youth. The population aged 15–35 is about 20.2 million in an overall population of 53.0 million.² This highlights the fact that youth development in South Africa should not just be a priority for the youth sector, but should be the nation's main concern for growth and development. Some 65.5 percent of youth (15–35) live in urban areas, with the balance in rural areas.³ A large portion of youth from rural areas migrates to urban areas in search of employment, making it necessary to consider ways to encourage youth to stay in their communities and contribute to growth and development there. The unemployment rate among youth aged 15–24 is high at 48.2 percent.⁴

South African youth face enormous difficulties in entering the labor market, a situation much different from 25 years ago. There are various schools of thought on the causes of youth unemployment in the country. Some attribute the problem to the crisis in education where the public schooling system is seen as weak. Some see the problem as being caused by the high cost of labor, where employers find themselves trapped in an inflexible labor relations regiment. Others view the economy as being part of a global structural capitalist economy, which makes unemployment inevitable.

Some economists have explained the labor market as having a dual nature, consisting of the center and the periphery (Uys and Blaauw 2006). The center consists of formal businesses that range from medium to large, are highly regulated, and are recognized as the source of formal employment. The periphery is composed of the informal sector employment with unregistered businesses and with informal arrangements (Statistics South Africa 2013). The primary economy—the center—has not produced the jobs to match the needs of a growing and young population. Given this, should the county's policies continue to create employment in the primary sector or acknowledge the dual economy and support both as interdependent economies?

The dual economy can be largely traced to the legacy of apartheid, where the plan was to have only the white population residing in urban and economic areas and other race groups coming in as migrant laborers and returning to their permanent residential areas—the homelands. The apartheid system controlled everything that happened in South Africa, including education,

²Stats SA: Mid-Year Population Estimates 2013.

³ Stats SA, Census 2011, adjusted. Accessed 8 August 2013.

⁴*Index Mundi-CIA World Factbook.*

skill development, where people lived, allocation of jobs, and levels of income (Pelani 2014). This resulted in a small (8 percent) population of white people getting the right education, skills, and access to high living standards. Besides the world's condemnation of apartheid, which saw many developed countries withdrawing their investments from the country, an economic system based on a few skilled individuals could not be sustained.

Ligthelm (2006) emphasized that the prolonged unemployment rate increased poverty, violent crime, and demonstrations (such as xenophobia). The stakeholder engagements also identified several factors, perhaps the most important being the nature of the economy with regards to apartheid and the skills that the young people have acquired when they enter the labor market. Unemployment in South Africa is a well-researched topic with most reports and findings attributing the problem to the following elements.

- The legacy of apartheid. The industrial and social policies during apartheid governments created numerous market distortions that are still evident today. Import substitution induced an uncompetitive, capital-intensive economy from which the majority of South Africans were excluded (NPC 2011). The legacies when the country became democratic were uncompetitive primary and secondary industries, which have consistently shed jobs since 1994 (NPC 2011). Ligthelm (2006) shows that the deliberate exclusion of black people from the education system and from skilled occupations under apartheid contributed to high rates of unemployment today.
- Labor demand and supply mismatch. There is a seemingly huge skills mismatch between skills provided by the education system and labor market needs, which has contributed to a situation where many young graduates cannot be absorbed by the mainstream economy. The economy is also shifting to a more skill-intensive position, although its youth are lacking skills of a modern economy (NPC 2011). Hausmann (2008) argues that the primary cause for the country's widespread unemployment is a structural mismatch between the skills the modern economy demands and the skills it supplies. NPC (2011) reiterates that view: the youth are low skilled, and the skill mismatch that applies to the broader economy applies particularly to them. The principal reason given by employers for their low youth employment rate is that with schooling not accurately indicating skill levels, unskilled inexperienced workers are seen as risky to employ, thus increasing their real cost (National Treasury of South Africa 2011).
- Low labor absorption capacity of the economy. Labor supply has grown faster than the economy's absorption capacity. Economic growth has occurred largely in skills-intensive sectors, such as the financial and business services sector although the majority of South Africans have been denied high-quality education (NPC 2012). One frequently cited explanation for sustained and rising unemployment is workers' lack of skills. Skill shortages are attributed to a shift in the composition of labor demand toward skilled labor, reflecting inherited educational disparities and the legacy of apartheid (Dias and Posel 2007).
- High-skill technology labor market. In line with global trends is a movement away from labor intensive to capital intensive production processes, and from primary and secondary industries to tertiary or service sectors. This results in fewer employment opportunities, especially for unskilled workers. The country has a non-labor-intensive labor market that remains highly dependent on high-skill technology, contributing to the exclusion of many young people, particularly those in rural and semi-rural areas

- Influence of trade union federations in government. Some researchers argue that higher wage demands lead to declines in new jobs, and that labor demands make the labor regime inflexible. Tighter labor legislation to protect the interests of the marginalized have had unintended impacts on the willingness of firms to absorb more labor (IMF 2010).
- Poor economic growth. The rise in unemployment, corresponding to a robust economic upswing since 1999, has elicited calls of jobless growth among policymakers and labor unions. The economy has also been growing slowly with only little employment growth over the years (NPC 2012). GDP growth has not been sustained at a level to create the jobs to reduce unemployment.
- Low entrepreneurship levels. Entrepreneurial participation is in short supply. Management and leadership skills needed to initiate and support economic growth, through innovation and entrepreneurship, are also lacking.
- Lack of interest for entrepreneurship by youth. Although various government initiatives enhance entrepreneurship, the number of young people involved in it remains extremely low at 6 percent of the total youth population.
- Slow pace of transformation. The slow pace the government has adopted to transform the economy has not created enough job opportunities for the young generation.
- HIV/AIDS. The high rate of HIV/AIDS infections among the youth has caused loss of employment and workplace discrimination against infected people.
- Lack of access to information. The youth are generally unaware of career and entrepreneurial opportunities economy-wide, and they lack role models in sectors and their families and communities. These are critical for entrepreneurial development.
- Possible lack of mentorship and exit strategies. Within key sectors, lack of mentorship is a key limitation, creating challenges to retain young people. Often, there are minimal follow-up/after-care support programs, such as incubator programs.
- Weak manufacturing. The industrial base and beneficiation of mineral and agricultural output have not developed much.
- Poor support or facilitation of new entry into job market. Policy frameworks intended to support new entrant to the job market and minimum standards for the employee have not yielded the desired results. The lack of targeted, goal-driven interventions in public and private sectors is a concern for a country with a young population, as young people often participate in unstructured intervention programs that lack proper monitoring mechanisms.
- High dropout rates and inadequate skill development. The youth population lacks skills and experience, which undermines their employment opportunities. Improved rates of participation in schooling since 1994 (98.8 percent of children aged 7–15 years old were attending education institutions) are offset by poor quality at all levels.⁵ The pipeline for skills is riddled with obstacles that stymie equitable access to opportunities in the labor market. Literacy and numeracy skills at primary school are well below the international average, leading to weak participation and throughput post-primary. Large numbers of youth are dropping out of secondary schools without getting a National Senior Certificate/Grade 12 or alternative Further Education and Training qualification. Low

⁵DBE, APP, 2013, quoting Stats SA General Household Survey.

uptake and pass rates for mathematics and science at Grade 12 inhibit growth in higher education, particularly in engineering, science, and technology.

- Low participation rates in further education and training. Although these rates have grown steeply, they are still insufficient in number and quality to meet the intermediate skills needs of the economy. Poor throughput at higher education crimps the supply of high-level, skilled graduates. The education system caters for just over 14 million learners, of whom about 12 million are in public schools, with others being in independent schools, further education and training colleges, and public universities. Public schools cater to more than 96 percent of all learners. In 2007, the gross enrollment ratio was 98 percent for grades 1 to 7, suggesting near universal coverage, and 85 percent for grades 8 to 12, reflecting a high dropout rate, before learners complete grade 12. Although the pass rate of those who sat for the matriculation exam was 67.8 percent in 2010, only 15 percent achieved an average mark of 40 percent or more. This means that roughly 7 percent of the cohort of children born between 1990 and 1994 achieved the standard of 40 percent or more.⁶
- Access to post-school education and training is limited. The few who do so are inadequately prepared for the workplace, due to poor-quality education and training. The challenge is to find ways to assist the vast majority of school leavers who do not qualify for direct entry into higher education or employment.
- Large numbers of youth, who possess no professional or technical skills and who exited the education system prematurely, are now unemployable. About 60 percent of unemployed youth aged below 35 years have never worked. Without targeted interventions, they will remain excluded from the economy. A dual approach is needed, to simultaneously strengthen basic education and reduce dropout rates for current students. It has to create viable pathways for school leavers into post-school learning opportunities, while directly addressing the lack of skills and work experience among out-of-school youth.

Although South Africa has been under democratic rule for 20 years, the intractable characteristics of the past apartheid system are still dominant. For example, South African youth are more likely to be unemployed than their white counterparts and young African women are the most excluded. As the country is increasingly urbanizing, poverty levels seem to be growing in urban areas more than in rural areas. There is a divide in urban areas between the core urban and the peri-urban areas, where most of the poverty is.

The economy has shifted from relying heavily on commodities to having large and diversified secondary and tertiary sectors, with financial services important. Some argue that there has been a direct link between the primary economy and the development of the large and sophisticated financial sector that the country boasts now. But the growth of a sophisticated economy happens simultaneously with the growth of informalized workers or workers in precarious jobs, because owners of the primary sector are invested globally and can easily downsize their operations. In other words, the sophisticated economy is generating few jobs for South Africans, especially new labor market entrants.

Botswana

The Afrobarometer poll (2012), identified unemployment in Botswana as the single biggest problem facing the country, as in previous polls in 2005 and 2008 (the economic structure and

⁶www.npconline.co.za (DBE 2011; Sheppard 2009).

some history are given under “Limited Capacity and Opportunities for Employment Creation” above).

Relative to many Sub-Saharan countries, Botswana’s youth population is not notable, but for an upper-middle-income country it is. More than one-third of the population is under 15, almost 60 percent higher than the average for such countries.

The ratio of the working age (15 to 64) to nonworking age population in Botswana is expected to rise by 64 percent, from 1.42 to 2.34, between 2000 and 2040 (World Bank 2014). It will also give some depth to the labor force. On the other hand, with around 15,000 young Botswana reaching working age annually over the next 10–15 years, the pressure to deliver sustainable, high-quality employment opportunities will remain immense. Beyond reducing poverty and inequality, employment is important to support wider efforts at diversification, by expanding consumption sustainably and thus building a virtuous circle of domestic demand.

High rates of youth unemployment are caused mainly by the following factors.

- Lack of youth skills required by the labor market. The education system does not provide learners with practical skills and work experience that matches the requirements of employment, and is more focused on academic performance. In addition, enrollment at the tertiary level is low (Ministry of Youth, Sport and Culture, 2010).
- HIV/AIDS. Despite government efforts to educate the young generation to participate in the labor market, it faces HIV/AIDS challenges. The infection rate is high, making the affected population discriminated against in their work places, as well as killing thousands of skilled workers every year.
- Little youth involvement in policy design and formulation. According to the Ministry of Youth, Sport and Culture (2010), this contributes to youth unemployment.
- Inadequate data and statistics on the youth. The paucity of data on youth poverty limits government interventions and policy development (Ministry of Youth, Sport and Culture, 2010).
- Limited job opportunities. Depletion of natural resources reduces job opportunities in tourism. Widespread unemployment produces high poverty rates, leading to prostitution, crime, and malnutrition (Ministry of Youth, Sport and Culture, 2010).
- Few job creation prospects in mining. The economy is highly dependent on this sector, which is highly capital intensive, limiting job opportunities.

Namibia

Understanding the challenges of youth unemployment in Namibia requires understanding the Namibian historical context and the exploitation it faced during colonial rule. Namibia had two harsh colonial masters, Germany and South Africa. At independence the country was a highly fragmented and unequal society shaped along the lines of race serving mainly the imperialists. The lack of African empowerment in colonial times has also had a negative impact and this has spilled over to the youth. Namibia is still the most unequal society in the world on the Gini coefficient.

Multiple factors undermine youth unemployment in Namibia.

- Colonial rule affected land and production. During German occupation 75 percent of the land owned by Africans had to be sold to the European settlers and the remaining 25 percent had to be declared native reserves (Mbuende 1986). Colonial rule had adverse effects on land policies and production, and thus employment. Under South African

occupation, Namibia was treated like a province of South Africa and hence was subjected to apartheid. Colonial land policies under South African rule gave ownership of 73 percent of Namibia's farmland to 4,450 white farmers while more than 100,000 African communal farmers had to share the remaining farmland (World Bank 1991; Jauch 2011). This policy disadvantaged Africans who were mainly dependent on agriculture for their livelihoods.

- Quality of education and allocation of public expenditure to education. There was also vast segregation in education for whites and nonwhites.
- Dominance of business ownership by whites. The private sector was dominated and controlled by South African businesses in almost all sectors.
- Limited local manufacturing. Being a member of Southern African Customs Union and the Common Currency Area meant that Namibia had no protection from South African imports, which inhibited local manufacturing. Mining, which was profitable, was the mainstay of the economy however but its huge profits were taken out of the country. According to Green (1988) and Mbuende (1986) these transfers amounted to 20–30 percent of GDP.
- Employment opportunities defined by racial ties. Opportunities for employment and entrepreneurial opportunities were not readily available to native Namibians.
- Inadequate skills and education. The youth with no formal education or with primary or secondary education have fewer opportunities than those with a university education.
- Limited vocational training opportunities. There seems to be a correlation between education and training on the one hand and unemployment on the other. Despite the segregation and Bantu education policy under apartheid, unemployment is not considered to be because of bad foundations in the formal education sector but rather because of the few vocational training opportunities and a narrow range of courses.
- Mismatch between training and labor market needs. Most vocational training institutes offer the same courses (such as electrical, plumbing, welding, and mechanics). Other areas are not catered to, leading to the mismatch. Career guidance is not offered early to children to help them make informed choices, and so most youth flock to the known professions such as nursing, teaching, and accountancy, while other career choices like marine ship repairs are neglected (all repairs to ships are done by South African companies in that country).
- Formal job preferences. Qualified youth are willing to wait for formal employment in urban areas. This is referred to as the “educated youth hypothesis,” under which youth from more privileged backgrounds focus their job search on better-paying public sector and formal positions and are willing to queue for such jobs and remain unemployed. Youth from less privileged backgrounds with poorer education have to support themselves and so are more likely to settle for work in lower paid, lower quality informal jobs (UNECA 2005).
- Population concentration in rural areas. Most of the population is in rural areas where access to employment information is scarce (Tjikune 2007). The expert consultations showed that qualified Namibians tend to gravitate toward urban jobs, which is why high unemployment among the youth in medical profession (nurses, doctors, and social workers) is not due to lack of jobs but rather qualified youth's unwillingness to work in rural and remote areas. Most medical jobs in rural areas are held by foreigners.

- Small size of manufacturing. The sector absorbs few of the job-seeking youth.
- HIV/AIDS. Deaths from HIV/AIDS claim many skilled workers every year, particularly among the youth (Tjikune2007).
- Youth vs. adult job opportunities. The youth do not share the same opportunities as adults. Also, the labor market gives foreigners first priority, limiting the number of youth who can join the labor force which reflects discrimination.
- Social impacts. Unemployment among the youth means that they cannot afford basic needs and has led to increasing numbers of homeless people, family conflicts, and violence as well as prostitution, alcohol and drug abuse (Eita and Ashipala 2010). Many youths cannot afford medical services, sometimes leading to illness or even death.

Swaziland

Youth unemployment is still high, at 51.6 percent of the population ages 15–24 years (Labor Force Survey 2013). According to the strict definition, it is 59.5 percent for those ages 15–19 and 49.7 percent for those ages 20–24. Overall youth (ages 15–24) unemployment is 51.6 percent.^{7,8} This is an improvement from the Labor Force Survey 2010, which showed that 64 percent youth unemployment under the broad definition.⁹ It is attributed to the following causes.

- *Lack of work experience.* According to the Labor Force Survey 2010, lack of work experience makes it hard for youth to compete and enter the job market. A large number of unemployed young people are school dropouts and high school leavers, lacking most skills.¹⁰
- *Lack of entrepreneurial culture.* Most people prefer taking (the few) white collar jobs to developing a trade or industrial (practical) skill that can assist the youth to start their own business.
- *Mismatch between the country's human capital skills and the requirements of the economy.*¹¹ This makes it hard for industry to absorb graduates.
- *Economic slowdown.* Since 2009 the country has been in an economic slowdown, although with a slight recovery more recently. Between 2000 and 2010, the country recorded average economic growth of only 2.5 percent, half its target.¹²
- *Loss of preferential market access to the United States.* In 2014, Swaziland lost the preferential access it had under the African Growth and Opportunity Act, causing several textile manufacturers to close and making redundant young workers. In 2000 Usuthu Forest, Sappi, shut down its operations, with a lot of job losses, including among the youth.
- *Lack of skills and education.* The youth lack skills, which makes it difficult for them to compete with their adult counterparts (Brixiova, Fakudze, and Kangoye 2012). Most of the youth with less education are unemployed.

⁷According to the country's definition of youth, youth are all persons age 15–35. But for international comparison (using the ILO standards) results are for age 15–24 years. Swaziland Government, "Labour Force Survey 2013," Mbabane 2014, p.3.

⁸ Ibid.

⁹ Swaziland Government, "Labour Force Survey 2010", Mbabane 2010, p. 6

¹⁰ Ibid p. 52.

¹¹Economic Recovery Strategy (2011). Ministry of Economic Planning and Development.

¹²Economic Recovery Strategy (2011). Ministry of Economic Planning and Development.

- *Low-paying jobs.* The youth are more often employed in economic activities with low value addition and ones that are low paying, leading to a decline in participation and increasing their unemployment rate (Dessalegne 2013). The liquidity crunch the economy experienced in 2011 caused by the global economic crisis led to wage cuts, job losses, reductions in hours worked, and business closures (Brixiova, Fakudze, and Kangoye 2012).
- *Lack of entrepreneurial skills.* Youth unemployment is influenced by low rate of school enrollment and lack of entrepreneurship (Oppenheimer and Spicer 2011). This has led to poverty, alcohol abuse, and HIV/AIDS.
- *Lack of youth participation in policy processes.* The youth are often excluded from policy processes yet are affected by them. Some 43 percent of the population are young yet urban and rural structures allow only their minimal participation in the economic, social, and political arena.
- *Poor economic growth.* The youth lamented the lack of jobs in rural and urban areas (Brosvik 2011). Some youth interviewed had finished Form 5, but still found it difficult to find employment. Respondents who had graduated from Form 5 and respondents with less education had attempted to start their own business because of the difficulties of getting employment.
- *Lack of capital for and high costs of youth business opportunities.* Youth entrepreneurship lacks startup and running capital, narrow markets, expensive and poor transport, few business skills and business mentorship, and difficulties in registering a business (Brosvik 2011).
- *The youth are disproportionately employed in low value-adding sectors.* This work is in subsistence agriculture and low-productivity services, including community services. The youth are underrepresented in high-paying sectors such as public service, finance, and business.
- *Swaziland is hard hit by chronic illnesses, including HIV/AIDS, and TB.* These diseases have left people unable to get jobs, especially those requiring physical strength. Some of those affected have to take care of the chronically ill, making them unable to look for work.

Conclusion

The four countries have many of the same constraints:

Insufficient demand for labor and other barriers

The biggest obstacle for youth is insufficient demand for their labor (AfDB2012). In an AfDB survey on youth unemployment in Africa, country experts identified low aggregate labor demand as a major obstacle to youth in the labor market in 89 percent of countries (AfDB 2012). The working poor thus remain in work that yields little output and pays little income. Similarly, the unemployed and discouraged face a lack of demand for their labor and remain inactive. That inactivity rates are high at all levels of education underlines the general lack of jobs as the most pressing problem for the young in African labor markets.

Other barriers include discrimination against those seeking their first job, lack of professional networks, and onerous labor regulations that lead to segmented labor markets where job holders (adults) are protected and jobseekers (youth) face strong reluctance by employers to hire young workers.

Lack of skills and job-skill mismatch

Lack of skills required by the labor market is crucial (Oppenheimer and Spicer 2011), and to a lesser extent lack of knowledge about where to find jobs, attitudes of employers, and labor regulations (AfDB 2012). This tallies with the perceptions of African firms, for which labor regulation and a deficient education of the workforce come at the end of a long list of obstacles that are much more important to their business development and hence their ability to create jobs. Interventions that focus on labor supply instead of demand will thus have limited impact. This requires capacity development among governments to design and implement effective policies.

Given that labor markets in the four countries and the rest of the world have become more predisposed to skilled workers in recent decades, there has been a corresponding requirement for education systems to produce larger numbers of skilled labor market entrants. With post-secondary qualifications increasingly in demand, a secondary education has become the absolute minimum for those who want to improve their livelihoods through employment (Levy and Murnane 2007).

Limited job prospects and opportunities

In a survey of African countries, the largest group of youth indicates that the main obstacle to their finding a job is the lack of good jobs. The second largest group, however, believes that jobs are only given to people who have connections, reflecting frustration with a system perceived as unfair, because connections depend largely on personal background and access to privileged circles that most youth do not have and cannot obtain. At the same time, the practice of distributing jobs on the basis of connections is a clear indication of the scarcity of good jobs (AfDB 2012).

Lack of practical skills

The quality of the education system and preparation for employment is poor. Among many African countries, the education system has been more focused on academic performance rather than the practical skills needed to increase economic productivity (Oppenheimer and Spicer 2011). The education structure is not beneficial to students as it does not directly correspond to prevailing economic activities, and focuses more on theory than practice. The upshot is an individual whose skills do not replicate the current economic trends in the African job market, and as the education curriculum in Africa does not consist of industrial skills, it produces many graduates with nontransferable skills. Furthermore, the all-inclusive policy at secondary and college levels has increased unemployment among the learned who are only suited for white collar jobs rather than self-employment.

Slow growth

The slow growth has led to low investment and formal employment (Oppenheimer and Spicer 2011). Political instability, bad leadership, and corruption among African countries also hit jobs for the youth (Oppenheimer and Spicer 2013).

Underemployment and low-paying jobs

Underemployment has discouraged the youth from participating in the labor market (Oppenheimer and Spicer 2013). The youth tend to lose hope of finding a good job and some fall into violent crime, demonstrations, drugs, and alcohol abuse. In some African countries, the youth have been involved in armed conflicts and rebel groups, which threaten democracy and the security of the African region (Oppenheimer and Spicer 2013).

Too few, and low-quality, policy interventions

Youth employment interventions in the four case study countries are low in quantity and quality, signalling the need for renewed commitment to designing new interventions and expanding current ones.

Table 3.1 Selected youth employment indicators and number of interventions, four Sub-Saharan countries

Country	Employment to population ratio ages 15–24, total		Labor force participation rate, (%15–24), total		Unemployment rate (15–24), total		Number of interventions
Botswana	23.5	27.6	32.4	39.6	14.00	13.23	<5
Namibia	12.7	15.4	30.2	35.0	47.04	14.00	4
South Africa	12.3	16.2	41.6	57.0	52.50	44.58	6
Swaziland	25.1	27	27.7	55.7	55.7	-	4

Source: ILO, Key Indicators of the Labour Market (KILM), 6th edition.

Current strategies in the four countries

Despite the failings just mentioned, the strategies among the four countries to address youth unemployment should be studied for insights into how to improve them. Most African countries have active labor market programs (ALMPs) for young people, which can be classified into three categories:

- Labor demand to create jobs through promoting entrepreneurship, and through direct job creation (such as public works programs).
- Labor supply to increase the productivity and employability of young people by providing skills training, and by improving the education system.
- Labor market mediation and matching to improve the functioning of the labor market and to link demand and supply by better matching services.

One major feature among African countries is that governments do not limit themselves to one field of action (World Bank 2014; AfDB 2012). The policy review below shows that the four countries also follow this approach, conducting several initiatives. The conclusions at the end of this subsection are largely based on stakeholders views' of programs' effectiveness and the policy and capacity gaps that should be addressed urgently (taken up in Section 4).

South Africa

The National Development Plan provides an aspirational vision of South Africa in 2030 and provides the context for all youth-oriented programs. It is designed to ensure a youth population that is economically active, socially integrated, and emotionally engaged in the success of South Africa. The Department Trade and Industry's Industrial Policy Action Plan identifies priority sectors in which to exploit industrial and infrastructural development opportunities, in three groups: sectors already supported; qualitatively new areas of intervention; and development of long-term, advanced capabilities. Both the National Development Plan and the New Growth Path (just below) acknowledge the need to prioritize youth in job creation, as well as to strengthen entrepreneurship. A concerted drive, however, is needed to create a new marketplace, one in which innovative and profitable business models are developed and incubated in order to become the major industrial and manufacturing players and employers of the future. These should enable the creation of supply chains that

provide employment opportunities for previously disadvantaged individuals, as well as procurement opportunities for micro- and small enterprises.

The New Growth Path (2011) describes a three-stage approach to addressing joblessness and unemployment. The first emphasizes the need for the state to create jobs through direct employment schemes, targeted subsidies, and a more expansionary macro-economic package. The second addresses government-supported labor-absorbing activities, especially in the agricultural value chain, light manufacturing and services, to generate large-scale employment, while creating incentives and support mechanisms to encourage the private sector to invest in new ventures and extend current operations. The strategy is aimed at concentrating resources in areas that yield the most jobs, to have the greatest impact with the main indicators of success will be jobs (the number and quality of jobs created), growth (the rate, labor intensity and composition of economic growth), equity (lower income inequality and poverty) and environmental outcomes. The major policy interventions are in table 3.2.

Table 3.2 Strategies on youth unemployment, South Africa

Strategy	Aims
The Constitution of the Republic of South Africa	<ul style="list-style-type: none"> • This lays the foundation for youth economic empowerment. • Chapter 13, Section 217 calls for redress of economic imbalances of the marginalized members of the population, including the youth.
National Youth Commission (NYC)	<p>It was established in 1996 to treat the needs of the youth sector in a serious and comprehensive manner.</p> <p>The mandate covered the following parameters of youth development:</p> <ul style="list-style-type: none"> • The development and coordination of the National Youth Policy (NYP). • The development of an integrated national plan that uses available resources and expertise for the development of the youth, which shall be integrated in the reconstruction and development program. • Maintaining close liaison with institutions, bodies, or authorities similar to the NYC to foster common policies and practices and promote cooperation. • Coordinating the activities of provincial government institutions involved in youth matters and linking these activities to the integrated NYP.
National Youth Policy 2000	<ul style="list-style-type: none"> • The NYP provided a comprehensive policy framework for youth development. • It provided detailed proposals on how to improve the life prospects of identified youth priority groups in two strategic areas: education and training, and economic participation.
National Youth Development Policy Framework (NYDPF) 2002–2007	<ul style="list-style-type: none"> • It was designed to accelerate the mainstreaming of youth development as an integral part of the transformation agenda of the democratically elected government. • The policy framework advocated an integrated and holistic approach toward youth development that was advanced through identifying strategic intervention areas to address the specific needs, challenges, and opportunities confronting young men and women today.
National Youth Policy 2009–2014	<ul style="list-style-type: none"> • The challenges and gaps identified in the review of the NYDPF 2002–2007 by the NYC gave rise to the NYP 2009–2014. • This amended policy enjoins all spheres of government to mainstream youth economic development in particular and youth development in general. • The policy calls for the development of an integrated youth development strategy.
National Youth Policy 2015–2020	<p>The NYP 2015–2020 has the following goals:</p> <ul style="list-style-type: none"> • Intentionally enhance the capacities of young people by addressing their needs. • Promote positive outcomes and provide an integrated, coordinated package of services, opportunities, choices, relationships, and support necessary for the holistic development of all young people—particularly those outside the social, political, and economic mainstream.
National Youth Development Agency (NYDA), Act Number 54 of 2008	<ul style="list-style-type: none"> • The act mandates the NYDA to develop an Integrated Youth Development Strategy for South Africa and initiate, design, coordinate, evaluate, and monitor all programs aimed at integrating the youth into the economy and society in general. • Further, it promotes a uniform approach by all organs of state, the private sector, and nongovernmental organizations (NGOs) to matters relating to or involving youth development. • The NYDA is a merger of the Umsobomvu Youth Fund and the NYC with the mandate to provide business development support (financial and nonfinancial) and close the identified gaps and limitations confronting the youth development sector.

Strategy	Aims
The Integrated Youth Development Strategy	<ul style="list-style-type: none"> • It aims to be a holistic and integrated strategy that responds to all socioeconomic needs of young people. • It aligns with key national policy frameworks such as the NYP, the National Industrial Policy Framework, the Industrial Policy Action Plan (IPAP), the New Growth Path, the National Skills Development–South Africa, the National Skills Development Strategy III, and many more. • It guides the private, civic, and NGO sectors to initiate programs that are aligned to national priorities, and respond to the national needs of youth development.
The Municipal System Act 2000	<ul style="list-style-type: none"> • It encourages a culture of community participation in the programs of the municipalities. • The mainstreaming of youth economic participation programs into IDP and Local Economic Development strategies for municipalities is one of the development tools that can be used to develop a culture of stakeholder participation in governance, including with young people.
The National Skills Development Act (1998)	<ul style="list-style-type: none"> • This calls for the establishment of Sector of Education and Training Authorities aimed at providing market-related skills intended to benefit people, including young women and men.
National Departments in the Economic Cluster	<ul style="list-style-type: none"> • Departments involved in economic development should implement programs and policies on enterprise development. • Some clusters have mainstreamed youth enterprise development in these policy documents; others have yet to do so. • While enterprise development policy interventions are indirect levers to promote youth enterprise development, a deliberate approach of emphasizing and deepening youth enterprise development is required.
Provincial Departments of Economic Development	<ul style="list-style-type: none"> • These have programs and policies on enterprise development. • A need exists for these departments to mainstream youth enterprise development in those policy instruments. A deliberate approach of emphasizing and deepening such development is required and should be aligned with the DTI national YEDS (next row) to ensure policy harmonization.
Youth Enterprise Development Strategy (YEDS)	<p>YEDS has the following objectives:</p> <ul style="list-style-type: none"> • Increase the contribution of youth-owned and managed enterprises to the GDP of South Africa from a low base of less than 5 percent contribution to 15 percent over 10 years (2013–2023). • Increase the number of self-employed youth or entrepreneurs from the current low base of approximately 6 percent to 20 percent over the next 10 years, as well as increase entrepreneurial culture, business managerial capacities, technical skills, and talents among young people. • Increase savings and investment among youth by encouraging them to establish cooperatives and other forms of enterprise and minimize barriers that prevent young men and women from starting and growing their own businesses. • Increase access to market, financial and nonfinancial support, including business infrastructure and procurement opportunities, to youth-owned and managed enterprises

In addition to the strategies for addressing youth unemployment in table 3.2, stakeholders revealed other policies with a bearing on youth unemployment.

The National Youth Service (NYS) Development Policy Framework 2002

This prioritized the participation of youth in voluntarism as a mechanism to build patriotism and social cohesion.

Broad-based Black Economic Empowerment Act 53 of 2003

This law mandates all spheres of government and private sectors to promote the achievement of the constitutional right to equality, increase broad-based participation of black people in the economy and promote a higher growth rate, increase employment and make income distribution more equitable, and establish a national policy on broad-based black economic empowerment. The ultimate aims are to promote the economic unity of the nation, protect the common market, and promote equal opportunity and equal access to government services. The revised codes, published in the Government Gazette (Notice 800 of 2012) for public comment, include enhanced recognition of “black people with disabilities, black youth, black people living in rural areas and black unemployed people.”

African Youth Charter 2006

A political and legal document, this serves as a strategic framework that gives direction to youth empowerment and development, at continental, regional, and national levels. The charter is in line with the efforts of the African Union that seek to provide an avenue for youth development. The charter was adopted in May 2006 and endorsed by African Union heads of states in July 2006. South Africa has ratified and signed the charter. It is consistent with the South African Constitution and almost all its provisions are in line with socioeconomic programs implemented or envisaged.

Millennium Development Goals (MDGs)

MDGs target the eradication of poverty and hunger (MDG1), achieving universal primary education (MDG 2), reducing child mortality (MDG 4) and improving maternal health (MDG 5).

Although programs have been implemented to address youth unemployment, stakeholder consultations show that it remains high. The programs’ capacity is inadequate and government support alone will not succeed. Experts have thus indicated the need for development partners and the private sector to support government because the government budget alone is too low. Partnerships in the region have been identified as a solution that should be given priority, as well as reforms to labor market policies.

Another major challenge is poor implementation and outreach, especially in rural areas where poverty remains widespread. The apartheid era also contributed to inequities in access to government programs, resulting in the majority of the black populace not accessing government support to address youth unemployment.

Lack of coordination among many fragmented policies is an area for reform to allow for efficiency gains on programs implemented and to define accountability and oversight structures more tightly, which is crucial for monitoring and evaluation (M&E). With the large youth population, stakeholders and experts have emphasized the need for exploiting and harnessing the potential of sectors such as agriculture to generate jobs, particularly in the rural economy.

Namibia

The youth unemployment issues have received a lot of attention and predominated government’s development agenda since independence in Namibia.¹³ The intervention of the World Bank and AfDB on this issue has further intensified discussion at government level. Strategies are summarized in table 3.3.

¹³ http://www.gov.na/documents/10181/14226/NDP4_Main_Document.pdf/6a57bd4f-a1ff-4aa5-9bd1-264e4a3e1e1a (accessed on November 26, 2015)

Table 3.3 Strategies on youth unemployment, Namibia

Strategy	Aims
The National Youth Council of Namibia	<p>It was established in March 1994 to do the following:</p> <ul style="list-style-type: none"> • Foster among youth a spirit of national identity, a sense of unity and self-respect, and an in-depth awareness of social, economic, political, educational, and cultural prospects and adversities. • Develop the inherent abilities and capabilities of young people both individually and collectively. • Encourage literacy and artistic activities among the youth. • Establish and maintain relations with international youth bodies and national youth structures in other countries. • Mobilize funds both locally and internationally for the course of youth development. • Popularize and advocate gender equality among the youth. • Initiate youth development projects and activities to encourage the participation of the youth in self-empowerment. • Facilitate implementation, monitor, and evaluate youth development programs. • Pursue advocacy role with regard to the rights and opportunities for the youth with physical and mental disabilities. • Liaise with and advise the ministry responsible for youth affairs on youth matters.
Youth Enterprise Promotion Policy (2004)	<p>The National Youth Council's Youth Enterprise Promotion Policy has the following aims:</p> <ul style="list-style-type: none"> • Highlight the contribution young women and men are making. • Support the activities of the National Youth Council and other key players in the promotion of youth enterprise.
Ministry of Youth, National Service, Sport and Culture	<p>The ministry has been mandated to develop and empower the youth and promote sport, culture, and arts. Objectives include those to increase employable skilled youth; enhance participation in artistic endeavors; ensure mutual understanding and tolerance of all cultures; optimize availability and condition of culture heritage industry; optimize economic contribution of culture; ensure all Namibians have opportunity to participate in sport; and enhance excellence in sport.</p> <p>The ministry's youth directorate aims to do the following:</p> <ul style="list-style-type: none"> • Recognize and develop self-esteem, potential, and aspirations of the country's young women and men. • Provide services to the youth in line with national policies. • Provide opportunities for the youth to develop relevant life skills to enable them to become responsible and self-reliant.
Namibian Youth Credit Scheme	<p>It is aimed at supporting enterprise development and enhancing management capability of youth desiring to venture into business. The program has different kinds of loans ranging from N\$2,000 up to N\$100,000.</p>
National Youth Council Act, 2009	<p>This act provides for the following:</p> <ul style="list-style-type: none"> • Establishment of the National Youth Council and the Youth Development Fund. • Management and administration of the Council and the Fund. • Establishment of youth forums. • Registration of youth organizations and associations as affiliates to the Council (and to provide for incidental matters).
National Housing Enterprise Empowering the Youth	<p>This organization signed a memorandum of understanding with the Ministry of Youth, National Service, Sport and Culture, to foster a partnership arrangement that will be beneficial to the youth of Namibia and the national economy at large. Under this partnership, the National Housing Enterprise through the ministry and youth organizations agreed to the following:</p> <ul style="list-style-type: none"> • Recognize the importance of development of small and medium enterprises (SMEs) for the youth and their contribution to economic growth, employment, and development. • Provide relevant support to youth SMEs. • Create job opportunities for the youth. • Provide youth entrepreneurship development through training and technical support.

Stakeholder consultations also brought out other initiatives, but most of them are targeted at the whole population.

Proposed National Apprenticeship and Internship Program

The Namibia National Industrial Policy emphasizes the importance of skills in promoting industrialization and that human capital not continuously developed is like dead capital. It stresses that apprenticeships and internships are important in developing functional skills and transfer and in bridging the gap between classroom training and the real work environment. Apprenticeships and internships are tools to address and lower youth unemployment. A national apprenticeship and internship program is being designed by the Ministry of Industrial Relations, Labor and Employment Creation.

Targeted Intervention Programme for Employment and Economic Growth (TIPEEG)

TIPEEG was adopted in 2011, scheduled to run for three years. The rationale behind TIPEEG was that an increase of local economic activity would eventually increase employment opportunities for a majority of the youth and unskilled laborers and boost aggregate demand. TIPEEG had two objectives: creating and retaining about 104,000 jobs over the period and stimulating domestic economic growth. It targeted agriculture, transport infrastructure, tourism, housing, and sanitation. According to stakeholder interviews, TIPEEG successfully created 21,000 permanent and 80,000 temporary jobs. This program is also thought to have created a number of indirect jobs.

National Youth Service

The NYS was introduced in 2005 by the National Youth Service Act (Act No.6 of 2005). Its objective is to deliver relevant national services and offer recognized skills training and personal development programs to the youth through attaining the requisite institutional capacity while engaging in income-generating ventures. The NYS offers the following services for youth: recruiting them from all regions and constituencies; developing them through involvement in national development efforts and activities; encouraging voluntarism; facilitating their contribution to socioeconomic development and poverty alleviation; and creating opportunities for skill development and career paths.

National Employment Service Bureau

This was established by the Namibia Employment Act of 2011. The bureau was mandated to register jobseekers, to register job vacancies, to match jobseekers with suitable employers, keep track of non-Namibians employed in the country and regulate all private employment agencies. Private employment agencies were prohibited from charging jobseekers fees. The Act also made it compulsory for all companies to register all vacancies and new positions, including temporary jobs, with the Bureau or face a fine of N\$5,000, six months in prison, or both. This intervention enables youth to locate job information in the market.

Equipment Aid Programme

To achieve its mandate of promoting and developing SMEs, the Ministry of Trade and Industry introduced this program in 2009.¹⁴The objective was to assist formal and non-formal SMEs to acquire production equipment and technologies. For example, during the 2012/2013 financial year a total of N\$ 30.5 million was committed for the Equipment Aid Scheme, which benefitted 1,141 SMEs in various regions of the country. Machinery was provided to SMEs all over the country, mainly to promote the manufacturing sector (Ministry of Trade and Industry 2013). Under the Equipment Aid Scheme, a preferential program has been introduced (Targeted

¹⁴ This Ministry's name has been changed to the Ministry of Industrial Relations, Labour and Employment Creation.

Intervention Programme for Employment and Economic Growth, TIPEEG) to earmark certain tenders for SMEs run by women, the youth and previously disadvantaged citizens.

Issues

Some initiatives have been more successful than others. The Ministry of Trade and Industry indicates that few services provided by public stakeholders reach all the youth in remote areas. There also a need for intensified publicizing of interventions as most young people are unaware of these resources.

Most interventions seem to focus on overall unemployment. For instance, TIPEEG targeted the general population and gave no preference to the youth. The Ministry of Trade and Industry (2013) argues that although TIPEEG was not designed primarily to target the youth it provided an opportunity for youth businesses beyond employment and toward self-employment. But it failed to provide preferences to businesses owned by young people. Stakeholders attest that programs need to be more youth oriented or have components aimed primarily at the youth. Programs should also be equipped with M&E components and measurable targets to help provide information on successes and obstacles during implementation.

Youth business assistance is provided by some public stakeholders, but they show little collaboration, leading to overlapping services. For instance, the Ministry of Youth, National Services, Sport and Culture provides funding to youth-owned businesses through the Namibia Youth Credit Scheme. The Ministry of Youth, National Service, Sports and Culture runs a similar project. Both also provide business mentoring and training. Although successful in addressing finance needs, they are available to only a small share of the youth population.

Swaziland

Some of the country's strategies and programs are in table 3.4.

Table 3.4 Strategies on Youth Unemployment, Swaziland

Strategy	Aims
National Youth Policy	<p>This aims to ensure equal opportunities for all youth by providing an enabling environment for efficient people-driven social, economic, and political transformation. The strategy has the following objectives:</p> <ul style="list-style-type: none"> • Provide support lobbying and advocating on all issues pertaining to the youth. • Formulate policies and programs and further provide professional guidance to the Swaziland National Youth Council (SNYC) on the implementation of the policy. • Mobilize and allocate financial resources to implement youth policies and programs. • Develop a coordinated and holistic response to the issues facing the youth by building capacity of development organizations and departments involved in youth affairs. • Supervise, monitor, and evaluate the performance of the SNYC. • Integrate and harmonize youth development and empowerment programs at national and local levels.
Youth Enterprise Fund	<p>It was established in 2008 under the Ministry of Sports, Culture and Youth Affairs (see next row). The fund is a business-support mechanism for the youth age 18–35 providing business capital for qualifying individuals, associations, and companies. It has the following objectives:</p> <ul style="list-style-type: none"> • Empowering the youth to engage in economic and commercial enterprise through the initiation and ownership of small and large businesses in different spheres. • Empowering the youth to be self-employed and to create wealth through the employment of others. • Facilitating the provision of skill development for loan recipients and youth at Tinkhundla centers. • Exposing the youth to business environments through internship opportunities. • Providing mentorship to youth-owned enterprises. • Providing seed capital without the need for collateral to the youth. • Financing the growth of current youth enterprises. • Facilitating the establishment of national youth entrepreneurship award programs.
Ministry of Sports, Culture and Youth Affairs (www.gov.sz)	<ul style="list-style-type: none"> • This ministry has a department solely responsible for youth affairs. It is also responsible for overseeing two quasi-government youth institutions—the Youth Enterprise Fund and the Swaziland National Youth Council.
TechnoServe (BBB)(http://www.technoserve.org/our-work/where-we-work/country/swaziland)	<ul style="list-style-type: none"> • The program helps promising young entrepreneurs create sustainable businesses. • It supports young entrepreneurs by linking them to financial service providers. • It supports the training, mentoring, and networking as well as the provision of seed capital
ENACTUS (Entrepreneurial Programme Targeting Tertiary Institutions)	<ul style="list-style-type: none"> • ENACTUS is an international nonprofit organization dedicated to inspiring students to improve the world through entrepreneurial action. ENACTUS provides platform for teams of outstanding university students to create community development projects that put people’s own ingenuity and talents at the center of improving their livelihoods. Guided by educators and supported by business leaders, students take an entrepreneurial approach that empowers people to be a part of their own success.¹⁵

¹⁵ <http://enactus.org/who-we-are/our-story/>, last accessed 02/07/2015.

Strategy	Aims
The Junior Achievement Swaziland (JASD) Junior Achievement (JA) entrepreneurial program targeting high schools	<ul style="list-style-type: none"> • This was established to develop entrepreneurial skills among youth through its programs for high school students. • It focuses on capacity development among potential young entrepreneurs. • It educates high school students about entrepreneurship and financial literacy through practical, hands-on courses. It aims to prepare them for self-employment and equip them with entrepreneurial thinking for the workplace, and, more broadly, for success in the global economy. • To achieve its objectives, JASD draws on partners from the private sector, education institutions, and government to provide in-kind, monetary, and other support. • It is an independent NGO, operating under a strategic guidance from Junior Achievement Worldwide (JAWW).
Super Buddies (sensitizing learners on health and social issues)	<ul style="list-style-type: none"> • Super Buddies is a magazine that disseminates information to the youth. Its design is friendly to the youth and UNICEF has been supporting it.¹⁶
Lusweti (listenership clubs) (www.lusweti.org.sz)	<ul style="list-style-type: none"> • Lusweti is a pioneer in innovative initiatives in social and behavioral change for the prevention and control of HIV/AIDS and other health and social development challenges by reaching vulnerable and young people in Swaziland.¹⁷
KickStart Programme implemented by Swaziland Beverages.(http://www.swazilandbeverages.com/sustainable-development/kickstart)	<ul style="list-style-type: none"> • KickStart is an entrepreneurial program launched by South African Breweries in May 1995. • It is a competition aimed at youth that either want to start businesses or expand their current business. In March 2010, Swaziland Beverages launched their own KickStart Youth Entrepreneurial Programme as one of its key corporate social investment initiatives.¹⁸ • Swaziland Beverages gives support to the winning businesses through grants to kick-start them. However, these are not cash grants. Rather, it purchases fixed assets for the business. • KickStart also provides ongoing mentorship, which takes place over 12 months. The focus is on creating sustainable businesses and allowing budding entrepreneurs to develop their ideas into reality. • Ongoing mentoring and monitoring of KickStart winners allows for an evolutionary improvement in their business practices, including performance management.¹⁹

The capacity for program implementation that impacts government institutions and the private sector has been cited as a major challenge in Swaziland. Programs have not cut the high youth unemployment. Despite strong government support, youth businesses have not had high success rates due to inadequate business skills and a weak entrepreneurial culture among the youth. This has emerged as a challenge for sustainability of government funding support. Lack of M&E has been cited by experts as an issue to match the changing dynamics of the business environment and labor market needs.

Botswana

Botswana's Vision 2016 aims for Prosperity for All with the main goals of poverty eradication and a more equitable distribution of income, supported by rapid economic growth and diversification. The government's main strategies and interventions are in table 3.5.

¹⁶http://www.unicef.org/evaldatabase/index_72973.html, last accessed 02/07/2015.

¹⁷http://www.lusweti.org.sz/index.php?option=com_content&view=article&id=102&Itemid=226, last accessed 02/07/2015

¹⁸<http://www.swazilandbeverages.com/sustainable-development/kickstart/?age-verified=d354b270bo>, last accessed 02/07/2015.

¹⁹<http://www.swazilandbeverages.com/sustainable-development/kickstart/?age-verified=d354b270bo>, last accessed 02/07/2015.

Its ALMPs are targeted at youth employment. The longest running is the Apprenticeship Program, in place since the 1980s, to provide vocational training for the youth having completed at least a junior certificate. The program supports the allowance to apprentices, who take up a three or four-year apprenticeship in companies, while completing institutional training at the Technical College. Around 1,000 apprentices graduate from the program each year.

More recently, the National Internship Program was set up in 2008 to address the problem of unemployed tertiary sector graduates. Graduates are placed in jobs either in government, parastatals, NGOs, or the private sector, for up to 24 months, with wages subsidized by the program. Around 3,750 youth are enrolled in the program, which aims to give work skills to enhance employability.

The Youth Fund was established in 2009 to promote entrepreneurialism among unemployed and marginalized youth age 18–35. The program provides a grant and interest free loan for small business development. It funds around 1,000 projects annually.

Finally, the Youth Empowerment Scheme was set up as an umbrella program in 2012 to support a wide range of initiatives aiming to support employment, entrepreneurialism, and skill development among youth. It covers activities such as computer literacy training, entrepreneurship training, life skills, re-tooling and attachments (secondments) to public projects.

Two flagship programs for entrepreneurship and enterprise development are the Citizen Entrepreneurship Development Authority, established in 2012, which provides subsidized loans for the establishment of citizen-owned firms; and the Local Enterprise Authority, established in 2004, which provides development and support services to small, micro and medium enterprises (SMMEs) in a wide range of activities. The government's Poverty Eradication Initiative aims to promote productive work for sustainable livelihoods, and provides financing training and equipment for micro-businesses through 22 packages covering activities like bakeries, bee keeping, handicrafts, and poultry.

Table 3.5 Strategies on Youth Unemployment, Botswana

Strategy	Aims
Botswana National Youth Council (has now been dissolved)	<p>This was established in 1974. Its roles were to:</p> <ul style="list-style-type: none"> • Advise government on all matters pertaining to youth activities in the nongovernmental sector. • Guide, encourage, and plan youth activities within the nongovernment sector. • Promote a channel through which organizations can be informed of government policy and programs affecting youth. • Lead all advocacy and lobbying efforts on issues affecting the youth and youth-serving organizations in a neutral atmosphere.
National Youth Policy (1996):	<ul style="list-style-type: none"> • It is a framework for youth development which endeavors to ensure that young women and men are given every opportunity to reach their full potential, as individuals and as citizens. • It demonstrates the distinctive and complementary roles of all government ministries, the nongovernmental sector, and youth groups in youth development, providing a framework for common goals and the development of a spirit of cooperation and coordination.
Revised National Youth Policy (2010)	<ul style="list-style-type: none"> • This is a framework for youth development and empowerment. • It is intended to guide in the mobilization of resources, strengthen implementation mechanisms, and improve coordination within the youth sector.
The National Action Plan for Youth (NAPfY)	<ul style="list-style-type: none"> • It is the major policy instrument that provides a guide on how to operationalize the various programs, the activities and timeframes of such actions, and the agencies that have to act upon these. • It also provides guidelines on the links between implementing agencies and stakeholders. The plan is essential as it states strategies and priority areas of action.
Ministry of Youth, Sport and Culture	<ul style="list-style-type: none"> • The ministry leads all efforts of mobilizing resources to implement the Revised National Youth Policy.
Department of Youth	<ul style="list-style-type: none"> • This assumes the responsibility for the coordination of youth affairs. Its major functions are to: <ul style="list-style-type: none"> ○ Develop, coordinate, review, and monitor all policies that relate to youth development. ○ Plan, implement, monitor, and evaluate youth programs and initiatives. ○ Identify and support the roles and functions of regional and international organizations. ○ Initiate, conduct, and disseminate research information related to youth affairs.
Ministry of Education and Skills Development	<p>The ministry is developing a National Education and Skills Development Strategy.</p>

Issues

Despite conspicuous budget support for education and entrepreneurial development, employment creation remains low. Botswana requires a fundamental structural transformation (see below) because growth remains concentrated in mining, which has little capacity for employment generation. In this case, youth programs are challenged to contribute to employment creation among youth. The quality of education is also an area requiring more focus to address the skills–job mismatch. Further, the lack of coordination and fragmentation

of policies makes it hard to monitor and evaluate programs, and to define accountability and oversight structures.

The small private sector limits opportunities for growth and prospects for employment, and agriculture therefore remains important in the transformation and job creation, although despite many programs to support its development, productivity is still low.

Conclusion

Despite the numerous policies and strategies put in place to address youth unemployment, youth unemployment still remains high among the selected countries. Policy and capacity gaps must be plugged if youth unemployment is to be tackled.

For example, the lack of coordination and fragmentation of policies among many institutions limits implementation, monitoring, and oversight, especially on the realization of results and employment outcomes. Government programs are not monitored, and this has led to concerns over the sustainability of government funding.

Capacities for implementation are inadequate, reinforcing the need for support from development partners for governments in designing and implementing programs, while those in education to keep up with dynamic labor market also need greater focus and input, despite efforts to upscale tertiary education systems. The growing population and labor force put immense pressure on education at all levels, confirming education-system capacities as a top policy priority.

Lessons and best practices

Other countries' lessons

The following boxes highlight successful initiatives from other countries. These should be integrated into Sub-Saharan Africa's approaches to youth unemployment.

Box 3.1 Training in life skills—Liberia’s Adolescent Girls’ Initiative

Launched on October 10, 2008, as part of the World Bank Group’s Gender Action Plan, the Adolescent Girls’ Initiative aims to help young women make a successful transition from school to work. The program is being piloted in eight low-income countries, including some of the toughest environments for girls.

Each program is tailored to the country context, with a common goal of discovering what works best in programming to help the women targeted succeed in the labor market. Each pilot includes a rigorous impact evaluation. With new knowledge of what works, successful approaches can be replicated and brought to scale.

Most of the programs include a life skills component integrated into a wider skill development program. Life skills programs are designed to teach a broad set of social and behavioral skills—also referred to as soft or non-cognitive skills—that enable individuals to deal with the demands of everyday life.

In Liberia, the program consists of six months of classroom training followed by six months of placement and support (including micro-enterprise advisory services and internship and job placement assistance). Of the girls, 70 percent are trained in business development skills and 30 percent in job skills targeted to sectors with high demand for workers. The job skills training, although primarily focused on wage employment, includes a short module on self-employment basics as a fallback because opportunities for wage employment are limited in Liberia. All participants receive life skills training specifically designed for Liberian girls. In addition, trainees receive small stipends contingent on classroom attendance and are assisted in opening savings accounts at local banks. Girls who complete the training are awarded a small bonus (US\$20).

According to mid-line results from 2012, the program led to a 47 percent increase in employment among trainees, increased average weekly income by 80 percent, and significantly increased savings among girls. A survey conducted more than a year after the completion of the program confirms that the impacts were sustained.

Similar programs are being piloted across seven other countries as part of the World Bank’s Adolescent Girls’ Initiative.

Source: World Bank 2014.

Box 3.2 Germany's Dual Apprenticeship System

Youth unemployment has been on a continuous decline in Germany since its peak in the beginning of 2005. The recession had only a modest and short-term impact, and by the end of 2012 the youth unemployment rate stood at 7.8 percent (Cahuc et al. 2013). This exceptional performance has mainly been attributed to the strength of Germany's dual apprenticeship system.

Germany is renowned for its vocational education and training (VET) system. In most countries VET is not a priority; in Germany VET is a key part of further education. About 60 percent of youths completing general schooling each year choose to pursue vocational pathways. It is a well-resourced system and receives strong financial support.

The VET system offers a variety of routes for young people, which vary in their balance between work, training, and academic content. The most dominant of these is the dual apprenticeship—combining training in the workplace with school-based learning. This model accounts for roughly half of all entries into Germany's vocational system and is strongly associated with labor market success. The dual system integrates school and work-based learning to prepare apprentices for full-time employment. After completing the compulsory lower secondary education, young workers can start such training by signing a training contract with a private company, with no additional prerequisites for admission. The training lasts for two or three years (depending on occupation); apprentices usually spend three or four days at the workplace and one or two in vocational school.

The theoretical and practical aspects of school and work-based learning are mutually reinforcing. In addition, successful transition to full-time employment is facilitated by the soft skills acquired at the workplace (such as conflict resolution and initiative taking), while academic skills obtained in the classroom enhance prospects for long-term labor market success (OECD 2010b). Responsibility for education is divided between the federal government and individual Lander and thus organizational factors and teaching content in the school-based part of the dual system vary across the country.

This system contrasts sharply with the system in other countries where apprentices only need to complete about one day a month of off-the-job learning.

Box 3.3 Denmark's successful labor market reforms

The Danish youth labor market enjoyed a decade of low, stable unemployment, consistently outperforming the European average until the 2008 recession. The recession caused a rapid increase in young people seeking work: by 2011 the proportion of young people who were unemployed had matched that of Europe as a whole (around 9 percent). But while youth unemployment increased sharply, long-term youth unemployment has remained low. Denmark spends 1.3 percent of total GDP on ALMPs— the highest proportion of any OECD nation.

Public funding for ALMPs is automatically adjusted in line with official increases in unemployment. About 22 percent of ALMP expenditure is on training, 17 percent on employment incentives (such as wage subsidies), and 35 percent on supported employment and rehabilitation (notably flex jobs). Before the recession about 2 percent of the labor force was enrolled in ALMPs.

Denmark is an international leader in ALMPs, having introduced its first in 1994. The aim of the policy was to reduce structural unemployment. Activation took place at 12 months unemployed and at six months for those 25 years and under. This period has been progressively reduced over time. The aim of the ALMPs is to ease the transition from unemployment to work by encouraging, improving, and supporting job searches; and by improving qualifications and employability through skill upgrading and vocational training and education. This has created a system that ensures that young people do not stay unemployed for a long time. Although there was a rapid rise in young people seeking work after the recession, long-term youth unemployment in Denmark is remarkably low.

Unemployment benefit recipients need to demonstrate availability for work by searching for jobs, taking up suitable job offers, and participating in ALMPs. In international terms the Danish rules for showing availability are strict and have progressively tightened over the last 10 years. Since 2001, and the election of a conservative-liberal government, the focus of policy has shifted from human capital development (provision from training) to accelerated job matching. Academics and policy have termed this as a shift in focus as a move from “learn-fare” to “work-fare.”

Referral to ALMPs happens after nine months for people over 30 years old, three months for those between 19 and 29, and (as of 2009) immediately for those younger than 19. Attendance is compulsory and the period of activation can last up to three years.

All training and education in the Danish model aim to be geared toward sectors that offer good job prospects. Training measures are particularly targeted at the unskilled and low-skilled unemployed, particularly young people under the age of 30. In 2007 state employment agencies were abolished and all administrative matters connected to ALMPs were transferred to local authorities. Employment plans are drawn up locally and submitted to the local employment council; these take into account both the target set by the central government as well as and the regional objectives. Individual job centers have significant autonomy, and can sign agreements with external institutions, and can sub-contract tenders out.

Source: Crowley, L., Jones, K., Cominetti, N. and Guillford, J. (2013) *International Lessons: Youth Unemployment in the Global Context*. London: The Work Foundation.

Box 3.4 Labor market flexibility in the Netherlands

In 1982 the government's response in the Netherlands to high rates of youth unemployment was to encourage a shift to greater labor market flexibility. Today, most reviews show that such flexibility has played a key role in combating youth unemployment and maintaining low and stable rates since the mid-1980s.

The shift led to the Wassenaar Agreement between employers' organizations and trade unions, which involved greater liberalization of temporary contracts, and a relaxation of redundancy procedures and wage restraint. This resulted in considerable job growth, a large proportion of which was based on part-time and/or flexible contracts.

The system supports high labor market participation rates for young people. The employment rate among 15–24 year olds is the highest in the OECD.

The experience of the Netherlands' youth labor market demonstrates the value that part-time and temporary working arrangements can have for young people's transitions into employment. While permanent full-time employment contracts may be more desirable, part-time or temporary ones can be more favorable than a period spent unemployed. They can also provide young people with useful skills and experience and impact less negatively on future labor market experiences. And for some young people, temporary working can be a more desirable arrangement if they are unsure about the career paths they wish to take.

Source: Crowley, L., Jones, K., Cominetti, N. and Guillford, J. (2013) *International Lessons: Youth Unemployment in the Global Context*. London: The Work Foundation.

Best practices in Africa

Some examples of best practice in Africa include the Innovation Hub in Pretoria, South Africa. With increased innovation come new or improved business ventures, which can lead to the creation of more jobs.

In Swaziland, business incubators with good mentorship programs can also help reduce unemployment. TechnoServe, for example, partners with the private sector, education institutions, and government to implement the JASD, created to develop entrepreneurial skills among youth through its programs for high school students.²⁰ TechnoServe also partners with Standard Bank, Nedbank, Central Bank, and Swazi Small Enterprise Development Company (SEDCO) for the Believe-Begin-Become program, which helps promising young entrepreneurs to create sustainable businesses, by linking young entrepreneurs with financial services providers.

The Mbabane City Community Champions Incubation Programme is run with the support of partners such as Mbabane City Council, University of Swaziland, Limkokwing University of Creative Technology, SEDCO and UNDP. This program was established by Mbabane City Council for young people with business ideas who would like to enter the world of entrepreneurship.

Improving programs and policies

The four Sub-Saharan countries have various areas in which they could improve their interventions. For example, they need to emphasize strong learnership, internship, and mentoring programs as well as professional networks. These programs will help give the youth on-the-job experience to make them marketable and competitive in the job market.

Another requirement is for the youth to be involved in the planning, development, and execution of youth-centered programs. They need to be aware of the programs that are created for them as well as how they can use these programs to meet their needs. For their

²⁰ Ibid p.9

part, governments and the private sector need to establish procurement-support programs that will be strictly for the youth, to enable them to grow in business as well as develop a strong entrepreneurship culture.

In the four countries, it has become imperative to implement the South African Development Community's Strategy and Business Plan on Youth Empowerment and Participation for Sustainable Development 2014–2019. This will allow the youth from one country to seek employment in other countries. Exchange programs where young people can go to other countries to develop and acquire skills through learning best practices from different environments also need to be developed.

Labor mobility between nations can also be used as a tool to address regional youth unemployment, while offering potential for youth to establish businesses that they otherwise would not have had in their home countries.

According to the Opportunities and Constraints to Youth Entrepreneurship, innovative financing needs to be developed to ease the credit constraints facing the youth.²¹ Further, training and capacity building has to extend from the nascent into the early entrepreneurship stages and beyond in order for the youth to start a successful business.

There seems to be dissociation among stakeholders on youth employment. Tertiary institutions seem to have a relationship with the private sector, as some courses require graduates to have some work experience before completing their studies. The tertiary institutions usually seek work placement (internships) for students. Thus the youth need to develop work experience, requiring stakeholders to include youth employment in their mandate as well as providing proper and appropriate work mentorship and other on-the-job training means.

Young people could be linked to and learn from established entrepreneurs through professional networks and mentoring programs, for skill transfer and peer support. Governments could play an active role through supporting advocacy and featuring successful young African entrepreneurs who could serve as role models. Labor unions, the private sector, and civil society need to advocate for youth employment creation.

Two main groups of young people should get priority for empowerment programs: vulnerable groups and the long-term unemployed. Most vulnerable people have to support their families, usually siblings and grandparents. Giving them priority would lift a large number of people out of poverty, and would give opportunities to those otherwise afforded few opportunities. For their part, the long-term unemployed usually resort to other survival skills, which are often dangerous and may often get their families deeper into poverty.

²¹ Ibid p.15

CHAPTER 4. PLUGGING GAPS, SUSTAINING JOB CREATION, AND BLENDING SOCIAL PROTECTION AND JOB STRATEGIES

Policy focus on addressing youth unemployment can only be effective if it is based on knowledge on, for example, the capacity and policy gaps identified above on which the following recommendations are based. The recommendations also draw on proposals from experts and a review of research and policy papers.

Tackling policy and capacity gaps

Rising youth unemployment demonstrates that few of the above-reviewed strategies and interventions help address unemployment, and this was a major concern for the stakeholders and experts. The main policy and capacity gaps are now discussed.

Data, statistics, Information about the youth and the labor market

A major challenge in developing strategies and policies to support job creation among the four Sub-Saharan countries and Africa as a whole pertains to the lack of comprehensive and consistent data on labor markets. Full labor force surveys are carried out after many years, for example, only once per decade, with the most recent survey giving about five to 10 years of data. In between, statistical updates are provided only for the formal sector, making it hard to get an understanding of the relationship between employment outcomes and critical factors such as education, location, and age. Analytical studies are also therefore few, and lack detailed, high-quality labor market data that can be tracked regularly. Without more timely, consistent, and comprehensive data, policymakers are working in the dark, and lack the tools to monitor and evaluate policy outcomes program performance (World Bank 2013).

Information on the labor market can only translate into a reasonable match between those who seek employment and those who seek employees if the skill development system is well informed about the growth trajectory of the economy and the labor market. Countries are still lagging behind on developing a credible institutional mechanism for skill planning and most national skill development strategies and sector skill education and training plans are inadequately developed—even where they exist (World Bank 2014). Specifically, there is a need for a planning instrument that can provide credible information and analysis regarding current and future skill needs and skill planning.

Information is also lacking at individual level, particularly for young people. In South Africa, for instance, the public educational system has inadequate provision for vocational guidance or assessment of individual learners (Pelani 2014). The majority of young people leave school with only a vague knowledge of employment opportunities and with little insight as to the most appropriate career direction for their abilities, interests, and personality.

Research for diagnosing youth unemployment problems

Diagnosing the status and nature of youth unemployment depends extensively on timely research and findings to inform strategic interventions. In the four case study countries, this has been a major concern since there is inadequate information and research to inform the development of national human resource development plans. Also at the sector level, there is limited research on the requisite skill gaps and labor market needs, which is fundamental for national government interventions to be consistent. Research is important to provide information on appropriate strategies for implementation and realization of outcomes on employment generation and design of youth programs.

Institutional factors

Innovative solutions will only succeed where institutions have the capacity to design and implement programs. The following institutional factors require a more rigorous approach to realize positive outcomes on youth empowerment and employment generation.

Lack of coordination and policy fragmentation

Most countries have plans, policies, strategies, accords, and so forth, but in a complex environment in which young people find themselves as they navigate their way toward finding employment. Government lacks coordination of all these initiatives as these emanate from different departments, NGOs, and private companies. Across the four countries a lack of coordination and collaboration among key ministries of youth sports and culture, departments dealing with youth and ministries of education, and the private sector has been singled out as a factor that hinders the development of skill curricula relevant for the job market. There is also little collaboration between the public and private sectors.

There is a need to establish mechanisms to maximize collaboration by developing integrated youth development strategies that will elaborate in detail the roles of key stakeholders. Governments should seek to establish one-stop shops that provide training, mentoring, funding, and other youth support services under one roof.

Weak capacity for policy implementation

The capacity to implement programs—even good ones—is a major challenge because policies are set without an implementation plan that guides the realization of results and alignment to intended achievements. The four countries seem to have thought out many solutions but on the ground there is little evidence of achievement. Human resources are inadequate within ministries of sports, culture, and youth affairs, while directors of youth affairs do not have enough staff. Youth councils generally also have inadequate staff. Thus there is need to build and enhance human and institutional capacity at ministries. In some countries there is no capacity to implement and monitor youth programs, and some organizations have vacancies that are not filled.

Inadequate government capacity to make timely decisions

Governments are short of capacity to make timely decisions based on recommendations of national youth agencies, other national stakeholders, and national research agencies. They are slow to absorb new concepts presented by the youth and by youth agencies. For instance, youth unemployment has been a long-standing challenge and associated issues were presented to governments by youth agencies more than a decade ago, but it was not until international agencies like the World Bank and AfDB started talking of the problem that the matter was taken up seriously in parliament (World Bank 2014). Stakeholders indicate that governments seem to require World Bank and AfDB validation before they can address problems or implement solutions. So although institutions like national youth councils, youth enterprise funds, and youth development programs have been set up in most countries, the timing perhaps signifies weak political will to address high youth unemployment.

Difficulties in communication

National youth agencies lack the capacity to communicate well with government. In developed countries, tertiary institutions offer degrees in training youth practitioners so as to provide them with the capacity they require to manage youth affairs. This approach has yet to be introduced in African countries, where youth practitioners are mainly graduates in areas like social work. Consultations also suggested that youth practitioners in public youth agencies and

government often lack the capacity to interpret research results and emerging trends, and make recommendation accordingly.

Education capacity, training, and skill development

Capacity of education systems

Institutions that provide for intermediate skills in the labor market like the technical and vocational education and training (TVET) colleges are still experiencing problems. There are still few of them, and most offer the same courses in a country. They seem to lack the capacity to introduce the more complex skill training that the labor market requires.

Outmoded education systems

Most youth lack the business management skills to set up and run a business, and so many of their businesses fail. Capacity building on business management is therefore needed for the youth. And even though there are linkages between tertiary institutions and the labor market, the literature points to a mismatch between the skills produced by these bodies and the skills demanded by the labor market.

Most students get their entrepreneurial exposure only when they reach high school—if then. The school curriculum does not pay emphasis on practical and life skills that would enable them to venture into self-employment. Education curricula should therefore be changed to include vocational and entrepreneurship courses, with input from industry on what courses should be for graduates.

Lack of finance for starting a business

Financial institutions' loan-access requirements are too stringent for the youth who want to set up a business, as they regard them as too risky and they lack collateral. Several responses are suggested. Countries should create national youth enterprise funds. They should also ensure that business plans can be used as a qualifying criterion to receive startup funding. Public–private partnerships, too, should be used to provide funding to young business owners who have demonstrated outstanding potential. They would also empower the youth by transferring knowledge and skills.

Youth agencies, beyond offering funding, training, and mentoring, should provide young enterprise owners with marketing skills and the opportunities to secure regional and international markets for their products. Standards-monitoring organizations, such as the Namibian Standards Institution, should train young people in the importance of high-quality products and services so that products produced locally can meet international standard requirements.

Issues in country strategies and programs

Inadequate design, quality, and delivery

Government budgets for developing youth are inadequate given the size of the problem, with implications for program design and sustainability. Due to lack of capacity to monitor programs, youth funds face low repayment rates from loans given to young entrepreneurs, making it nearly impossible for other youth entrepreneurs to access capital. Program sustainability has become a concern where enterprises depend solely on government funding, as repayments are not made. The lack of monitoring of youth businesses compounds the challenges. Programs need to attract development partners to help build capacity for program development.

Many of the youth lack knowledge or are apathetic about government initiatives, and take little part in them. Ineffective communication and information dissemination is another shortfall. Nor do programs always reach the targeted populations: current programs often access agencies or other bodies representing the youth, but as some of them do not have proper structures to disseminate the information further, too few young people can access the information.

Lack of monitoring and evaluation

The stakeholder consultations indicate that there is no system to evaluate the measures to fight youth unemployment. They also identify lack of capacity for M&E of initiatives. Given this, most interventions go unmonitored and are not vigorously evaluated against the initial targets.

There is no known mechanism for monitoring young jobseekers and facilitating their access to employment programs. A database should be compiled to record all public spending on youth programs, the number beneficiaries and other indicators (such as the age, geographical region, and gender of beneficiaries). This initiative would go a long way in addressing the weaknesses in the current M&E systems. A scarce skill database should also be developed with the objective of informing government bursary and scholarship allocations of the skills that the economy requires.

Dearth of career development strategies

The four countries' ministries of education, as well as their TVET and higher learning institutions, should write career development strategies, which would emphasize scarce skills. The ministries should also focus on developing career development guidance in primary and secondary schools.

The mindset that tertiary education is superior to vocational training should be shifted as technical skills have proven to be the bedrock on which economies are built. A possible solution could be a partnership between institutions that deal with youth issues (ministries of sports, culture, and youth affairs; education; commerce; industry and trade; and labor and social security; and youth councils) to establish a well-monitored M&E framework.

Sustaining job creation and blending social protection and job strategies

Investing in job-generating sectors

A major challenge is that among the four countries, expanding sectors rarely generate jobs. Given the countries' struggles to generate jobs for an expanding and young labor force, in part grounded in slow economic growth, their governments should urgently consider identifying alternative sources of growth for sustainable job creation. The potential of agriculture, for example, needs to be harnessed.

FDI also need to be pursued. Business reforms and a conducive business environment are crucial to facilitate FDI into sectors that drive growth and employment creation. Given substantial investment required in sectors such as information and communications technology, manufacturing, agriculture, partnerships for infrastructure development, and public-private partnerships are potential avenues to tackling the huge initial costs of investments in sectors with potential for job creation.

Building the skills of Informal entrepreneurs and apprenticeship managers

The informal economy is here to stay in the region (Uysand Blaauw 2006). The few studies on this sector also show a link between the formal and informal sectors. For example, Ndabeni and Maharaj (2013) demonstrate how the informal sector produces, distributes, and provides

services to the formal economy, such as taxis and waste collectors. Informal sector employment is also diversified, ranging from survivalist activities such as car guarding to areas where some skill level is expected. Individuals in this sector may be working for themselves or could be employees for others.

Various sources quote different statistics on the size of the informal sector. In South Africa, for example, Loots (1998) estimated its size at 12 percent of GDP. Schneider (2002) put it at 28.4 percent. Statistics South Africa (2007) estimated it at 18.5 percent. The average estimates of this sector are 7–12 percent (Casale et al. 2004; Braude 2005; Muller 2003). Few countries have paid attention to their informal economy, assuming that the formal economy will expand to absorb the majority of workers.

Prioritizing access to jobs in education and training—A paradigm shift

Among the four countries, TVET and skill development remain too limited to address the skill gaps, implying a need for a paradigm shift in how the system is managed, coordinated, and monitored (Pelani 2014). The current market-driven approach largely fails to prepare young people for the labor market.

From a policy perspective, addressing these concerns is a relatively long and difficult one that will take time to deliver, and so requires attention to managing transitions and sequencing reforms. Drawing on World Bank (2014), two main elements are crucial—one to be pursued now, and one further out.

Short term: Blending social protection and employment strategies for continued progress on poverty reduction

Blending the strategies, including support for the informal sector, this element aims to maintain poverty reduction. It has several components.

- Continuing poverty eradication initiatives, including promotion of self-employment and micro-enterprises. The medium-term efforts focused on structural transformation (just below)—skill building, improving competitiveness in the private sector, and downsizing government—will take time to bear fruit. In the meantime, initiatives to promote sustainable livelihoods, especially in rural areas and urban villages where alternative employment opportunities will remain scarce for some time, are critical (World Bank 2012). Linking poverty eradication schemes to skill building (to enhance productivity) and to efforts to promote a more competitive business environment for SMMEs (including through financial inclusion) will contribute to making them sustainable. Initiatives that link these programs with social assistance for women, especially in female-headed households, will be critical.
- Ensuring sustainability of agricultural support programs. Similarly, agricultural support programs should receive greater policy and capacity development focus, as they are important for addressing poverty. Linking agricultural programs to skill building can also improve outcomes for individual beneficiaries. At the program level, the key issue will be to undertake reforms to ensure that the programs' can be sustained fiscally.
- Linking social protection to ALMPs. Social protection programs should be designed to help promote skills and sustainable employment, in order to break intergenerational poverty transmission (World Bank 2012). More focus should be on conditional safety net interventions that promote behavior changes (nutrition, education, and preventive health care including HIV prevention); public works, which could invest in much-needed public goods (such as sanitation); and linkages to ALMPs. Several such programs are in

place but generally account for less than 5 percent of social protection and labor spending in the four case study countries, and remain poorly integrated with social assistance programs.

- Improving labor market data. The lack of consistent, high-quality labor market data is a major barrier to developing better job-creation programs. Investment in more regular and more comprehensive data (including on the demand side and covering the informal sector) is crucial for policymakers to make informed decisions and to have the tools to monitor and evaluate outcomes.

Medium term: Building sustainable, quality employment through structural transformation

The main drivers in the policy proposals for sustainable, high-quality job creation through structural transformation (World Bank 2014) broadly entail the following measures. They were directed at Botswana originally but apply in large measure (though less so on the mining strictures) to all four countries

- Increasing agricultural productivity. To make agricultural employment more sustainable, earnings must improve. To improve earnings, productivity must improve. Higher productivity will require investing in technologies and practices, as well as improving access to credit and shifting to higher-value crops (and, most likely, employing fewer people in the sector). The transition of much of the current agricultural workforce into higher value-adding activities in home-based enterprises and the formal private sector is fundamental.
- Developing a dynamic and productive private sector, formal and informal. For Botswana, improving the competitiveness of its non-mining private sector is fundamental to creating sustainable, high-quality jobs. This requires improving the business regulatory environment, ensuring that private employers can access the skills they need to compete (from abroad if necessary), substantially increasing FDI, and facilitating supply chain linkages between FDI and local firms. In addition, stronger non mining competitiveness will require a range of support measures to SMMEs, including capacity building and access to finance. It should also include greater support to the household enterprise sector, in rural and urban areas, with a focus not only on entry into self-employment and the SMME sector but improving productivity through capacity building and access to services.
- Raising the quality of education and closing skill gaps. At the heart of the jobs and structural transformation agenda is the need to improve the quality of education, to raise skill levels, and to close the technical and behavioral skill gaps that dampen the demand for skills and create a wedge between labor supply and demand. Key priorities should include identifying and building socio emotional and behavioral skills in the workforce to address issues of the work ethic (World Bank 2012). Efforts targeted at females in making the transition to employment should be a priority.
- Reforming the public sector. In countries where the public sector dominates employment, the World Bank and AfDB have recommended public sector reforms. There is some evidence that the public sector may be squeezing out the private sector in attracting skilled workers, with greater earnings and benefits as well as stability of employment (one reason why qualified jobseekers often queue for such jobs). Such reforms would allow the private sector to play a bigger role in employment generation.

Other issues

Other issues to be integrated in innovative solutions should aim for gains in the following areas.

Participation and employment

- The four countries need to improve the environment for private sector job creation to drive structural transformation and ensure sustainable employment growth.
- Greater support for the informal sector (home-based enterprises) is needed, by ensuring these enterprises are supported with training and access to finance, and are not regulated out of the market.
- Plans for public sector reform and privatization should be accelerated, to support private sector employment.
- Data collection frequency on labor markets should be increased to improve understanding of employment dynamics and to better evaluate policy.

Rural labor markets

- Support for improvements in agricultural productivity should be through increased focus of agricultural extension technology and access to credit for small farms.
- Clarifying the objectives of agricultural programs work toward more targeted programs to promote sustainability of production.

Gender

- Strong female orientation of key poverty alleviation programs should be continued and combined with stronger training and skill building (including life skills) to ensure greater potential for graduation from programs.
- Flexibility for poorer, female workers should be improved through targeted, household cash grants and other social protection programs.

Youth, education, and skills

- Education quality must improve, particularly in rural and lower-income areas (access has risen, but not outcomes), including equitable allocation of resources.
- Socio-emotional and behavioral skills should be built, including redefining apprenticeship programs to include modules on entrepreneurship, personal skills, and core literacy, numeracy, and communication skills.
- Vertical and horizontal articulation should be set across academic and TVET streams, encouraging lifelong learning and skill upgrading.
- Short-term skill training and skill upgrading programs should be launched for the low skilled, and government agencies should partner with the private sector to introduce training programs for young, unemployed, and discouraged workers.

Productivity

Skills need to be expanded and honed across the board, exemplified in the following measures.

- Address work ethic issues, including early-stage programs (targeted at youth) and training programs in the workplace.
- Launch sectoral productivity enhancement initiatives, supported by cross-cutting interventions to improve the business regulatory environment, including easing

restrictions on skilled workers and facilitating supply chain linkages between FDI and local firms, with a focus on supporting technical capacity building, standards, and quality upgrading.

- Develop links to regional value chains, with emphasis on productivity-enhancing specialization, including investing in key cross-border infrastructure, addressing competition barriers at national and regional levels, and improving cross-border transport and trade links.

Regional and partnership approaches

Stakeholders indicated that regional collaboration is limited and that systems should be proposed to intensify collaboration. Views were divided on labor mobility: some felt that local jobs should be protected from being taken by more skilled and educated youth from other countries, and that brain drain was an issue; but others felt that on-the-job-training in other countries could help curb youth unemployment. Stakeholders emphasized the value of the Regional (SADC) Youth Employment Strategy (namely, the Strategy and Business Plan on Youth Empowerment and Participation for Sustainable Development 2014–2019) in addressing regional youth unemployment.

CHAPTER 5. CONCLUSIONS AND RECOMMENDATIONS

This four-country (Botswana, Namibia, South Africa, and Swaziland) study characterized the status and nature of youth unemployment, assessed its causes and impacts, and suggested ways to remedy it. It drew on stakeholder and expert consultations with development partners, governments, the private sector, and NGOs, alongside a review of success stories and best practices.

High economic growth rates in Africa and the Sub-Saharan region have not translated into jobs. High unemployment remains—a major development challenge in the continent. The growing population, which is also growing younger, has led to a youth unemployment rate twice the adult rate in Sub-Saharan Africa (12.8 percent versus 6.5 percent) and nearly quadruple it in North Africa (27.1 percent versus 7 percent) (ILO 2012). Unemployment among youth touches 50 percent in South Africa and above 30 percent in the other three countries. Overall unemployment is estimated at 22 percent in the Middle East and North Africa and 17 percent in Sub-Saharan Africa, much higher than the world average unemployment rate of 8 percent and that of Asian countries at 5 percent.

Labor force participation rates for the youth are lower among developing countries generally, and in the four Sub-Saharan countries, and the proportion of young women (as with total unemployment) in the labor force is lower than that of men.

GDP growth—more than 6 percent in Botswana and Namibia since the 1990s and about 3 percent in South Africa—is too slow to guarantee productive employment for the increasing population and labor force, notably among youth. In Swaziland, growth rates are low, demonstrating the urgency for capacities for higher growth among most developing countries to raise employment prospects. Identifying opportunities for and generating faster growth requires capacity support at the national level, and is a policy priority.

Other causes of high youth unemployment include low and inadequate skills, a mismatch between education and training and the job skills the labor market requires, and jobseekers' lack of experience.

The capacity to generate employment among sectors such as agriculture and manufacturing is limited by constraints on infrastructure, including water and electricity. Lack of entrepreneurial skills is a constraining factor as is poor availability of capital to the youth to exploit business opportunities that can generate employment and growth.

Strategies across the Sub-Saharan countries aim to address youth unemployment. These include support for establishing enterprises by the youth, training to develop entrepreneurial skills, farmers' funding, and education and training (which includes tertiary education). They have not, though, led to a major breakthrough for employment, especially among the youth. Lack of youth involvement in the design and formulation of policies and programs has been cited as a major factor in the poor results. Inappropriate targeting, limited sustainable transformational impacts, and poor outreach between rural and urban areas and between males and females are areas that require further program development. Lack of capacity for implementing policies to address youth unemployment, particularly on the mismatch between tertiary education and job needs, are areas that require tighter policy focus.

Several capacity gaps are undermining institutional frameworks, policy and program development and implementation, quality of education and training, and their adequacy and relevance for youth unemployment among the Sub-Saharan countries. Other priorities include

support for harnessing the potential for sectors such as agriculture and manufacturing, as well as trade and enterprises, to create jobs. Development partners can provide expertise through human capital development partnerships and provide resources to develop infrastructure—often a constraint in agriculture, where the cost of water, power, technology, and transport limit its potential to create jobs.

Capacity and policy gaps in the following areas must be plugged to tackle youth unemployment: data on the youth and the labor market; research for diagnosing youth unemployment problems; institutional factors (lack of coordination, fragmented policies, weak capacity for policy implementation, inadequate capacity for governments to make timely decisions, paucity of good communication, timely planning, solid decision making, and political will); education-system capacity, and training and skill development (including mismatch between tertiary skill development and labor market needs, and lack of entrepreneurial sensitization from primary grades in school); lack of finance for setting up a business; weak government program design, quality, and delivery; and poor program evaluation and monitoring..

The agenda to address these concerns is long and difficult and will take time to deliver, and so requires attention to managing transitions and sequencing reforms. Countries that have tackled youth unemployment indicate the need for labor market reforms and the need for labor market flexibility.

Drawing on the World Bank (2014), two main elements are crucial—blending social protection and employment strategies in the short term to ensure continued progress on poverty reduction; and building sustainable, high-quality employment in the medium term through structural transformation. The former requires continuing with effective poverty eradication initiatives, including the promotion of self-employment and micro-enterprises; ensuring sustainability of agricultural support programs; linking social protection to active labor market programs; and improving labor market data. The latter broadly entails harnessing the potential for sectors such as agriculture, tourism, and manufacturing to contribute to structural transformation and sustainable job creation; developing a dynamic and productive private sector (formal and informal); raising the quality of education and closing skill gaps; and reforming the public sector.

APPENDIX 1. DATA TABLES

Table A1.1 Regional GDP growth performance

	2004–08	2009	2010	2011	2012	2013	2014	2015
Sub-Saharan Africa, excluding South Africa	7.2	4.3	6.7	6.3	5.8	5.9	6.5	6.5
Sub-Saharan Africa (Total)	6.4	2.6	5.6	5.5	4.9	4.9	5.4	5.5
<i>Of which:</i>								
Oil-exporting countries	8.4	4.8	6.7	6.1	5.2	5.7	6.6	6.5
Middle-income countries ¹	5.1	-0.8	4.1	4.9	3.4	2.7	3.0	3.3
<i>Of which: South Africa</i>	4.9	-1.5	3.1	3.6	2.5	1.9	2.3	2.7
Low-income countries ¹	7.3	5.1	7.0	6.5	6.2	6.8	6.9	6.8
Fragile states	2.7	3.3	4.8	3.3	7.5	6.0	7.1	7.1
<i>Memorandum item:</i>								
World economic growth	4.6	-0.4	5.2	3.9	3.2	3.0	3.6	3.9
Sub-Saharan Africa resource-intensive countries ²	6.4	2.0	5.4	5.5	4.8	4.1	4.9	5.0
Sub-Saharan Africa frontier and emerging market economies ³	5.8	2.5	5.4	5.5	4.8	4.4	5.0	5.2

Source: IMF, World Economic Outlook database.

¹Excluding fragile states.

²Includes Angola, Botswana, Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Republic of Congo, Equatorial Guinea, Gabon, Ghana, Guinea, Mali, Namibia, Niger, Nigeria, Sierra Leone, South Africa, Tanzania, Zambia, and Zimbabwe.

³Includes Côte d'Ivoire, Ghana, Kenya, Mauritius, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Uganda, and Zimbabwe.

Table A1.2 Regional status of unemployment

<i>2011 Global Employment</i>			
Percentage of workforce surveyed in 148 countries and areas			
	% Unemployed	% Underemployed	% Employed full time for an employer
Worldwide	8	17	42
Middle East and North Africa	22	32	35
Sub-Saharan Africa	17	32	22
Americas	12	23	51
Europe	11	18	58
Former Soviet Union	7	14	60
Asia	5	13	40

Non-Arab expats were excluded from the sample in Arab Gulf countries.

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Table A1.3 Extreme poverty by region

Share of population below US\$1.25 a day (2005 ppp)						Projections		
Region	1990	2005	2008	2010	2011	2015	2020	2030
East Asia and Pacific	58.2	16.7	13.7	10.3	7.9	4.1	1.5	0.1 ^a
Eastern Europe and Central Asia	1.5	1.3	0.4	0.6	0.5	0.3	0.2	0.1 ^b
Latin America and the Caribbean	12.0	7.4	5.4	4.8	4.6	4.3	3.8	3.1
Middle East and North Africa	5.8	3.0	2.1	1.7	1.7	2.0	1.8	2.4
South Asia	53.2	39.3	34.1	29.0	24.5	18.1	13.8	2.1
Sub-Saharan Africa	56.6	52.8	49.7	48.2	46.8	40.9	34.2	23.6
Total (developing world)	43.5	24.8	21.8	19.1	17.0	13.4	10.5	5.7
Total	36.4	21.1	18.6	16.3	14.5	11.5	9.1	4.9

Millions of people below US\$1.25 a day (2005 ppp)						Projections		
Region	1990	2005	2008	2010	2011	2015	2020	2030
East Asia and Pacific	957.1	324.1	272.3	207.1	160.8	86.4	31.3	2.5
Eastern Europe and Central Asia	7.1	6.0	2.0	2.9	2.3	1.3	0.8	0.3
Latin America and the Caribbean	52.7	41.0	31.0	28.3	27.6	26.8	24.8	21.7
Middle East and North Africa	13.1	9.0	6.5 ^c	5.5 ^c	5.6 ^c	7.3	7.0	10.3
South Asia	603.2	589.0	532.7	465.3	399.0	310.6	249.6	42.5
Sub-Saharan Africa	287.1 ^c	399.1	406.8	416.4	415.4	403.2	382.9	334.6
Total	1920.2	1368.1	1251.4	1125.5	1010.7	835.5	696.4	411.8

Source: World Bank staff calculations on poverty and poverty projections from PovcalNet database, the on-line tool for poverty measurement developed by the Development Research Group of the World Bank.

See <http://research.worldbank.org/PovcalNet/index.htm> for additional information and data. The source of growth projections used to generate the poverty projections for 2015, 2020, and 2030, is DEC staff calculations (World Bank 2014a).

a. The statistic for 2030 is 0.11 for East Asia and Pacific. It has been rounded to 0.1 in the table.

b. The statistic for 2030 is 0.06 for Europe and Central Asia. It has been rounded to 0.1 in the table.

c. Refers to the numbers that are provisional because survey coverage is less than 50 percent of population in the region.

Source: World Bank 2013.

APPENDIX 2. ADDRESSING STUDY SCOPE ELEMENTS

Contextual overview

The high unemployment in Sub-Saharan countries warrants attention to inform policy strategies on addressing the persistent stubbornly high unemployment among the youth. This research therefore, aims to contribute to the identification of strategies and relevant policies to address youth unemployment in Sub-Saharan countries. The study aims to identify the causes, impacts, and implications of youth unemployment through conducting a case study assessment among selected Sub-Saharan countries. A review of the challenges, implications, and gaps will be central to the analysis to highlight innovative ways to address youth unemployment in Sub-Saharan countries. The role of stakeholders such as the government, and private sector and non-governmental organizations and other development partners to address youth unemployment will be undertaken. This is a key element toward assessing the capacity of stakeholders. The review will also focus on success stories and best practice to inform strategies for addressing youth unemployment and refining existing strategies and policy approaches to addressing youth unemployment. The study proposed will conduct expert interviews with key relevant National Youth Bodies and Ministries to gain insight on key policy issues for reforming the policy agenda of African governments toward an inclusive, employment-creating and sustainable growth strategy, aimed particularly at addressing the youth unemployment in the continent.

The research call requires that the study focuses on the characteristics, causes, impacts, consequences, implications, challenges, relevant policy actions, and connate issues related to youth unemployment. The call also requires that the research pays attention to the good practices and lessons learned to trigger progress across Africa. Further, the research should address the question related to national capacity to create sufficient quantity and quality of jobs in the formal economy is of great relevance and needs to be investigated.

Study elements being addressed

- To tease out a clear diagnosis of youth unemployment in African countries, a concise review of the related literature and innovative solutions rooted in case studies/empirical investigation to address the issue.

This scope will be addressed within the country data collection and analysis for characterization of youth unemployment among the Sub-Saharan countries. As already highlighted in the introductory background, the study will focus on four countries to assess youth unemployment in Sub-Saharan countries. These countries have been found to have high unemployment rates among countries in the southern African region. Further they serve to demonstrate that youth unemployment is a challenge that affects all countries.

- Authors are asked to draw a landscape of youth unemployment paying special attention to rural and female unemployment and to document good practices and lessons learned.

The data collection and analysis will be disaggregated into male and female youth unemployment to assess the emerging gender unemployment trends. This is key for specifically targeted unemployment programs and even strategies for sector development. Capacity building interventions and employment opportunities can be appropriately cast in an environment where the gender dynamics to unemployment are well understood. This study will thus offer an understanding of youth unemployment in Sub-Saharan Africa by sex and emerging implications and causes and possible impacts. With some benchmarking and policy

review of countries that have succeeded in addressing youth unemployment, this research will provide good practice models and strategies to inform the capacity building and policy agenda for youth unemployment in Africa and the world.

- Proposals/papers should treat youth unemployment in Africa as a crosscutting concern by looking at the role of the different actors (private, public, domestic, foreign, small and medium enterprises), sectors (formal and informal), new technologies, and history and culture.

This study with a focus on selected Sub-Saharan countries aims to address youth as a cross cutting concern and the analysis as described in the approach is meant to clearly articulate youth unemployment and characterize its causes, implications, impacts, and consequences at a regional level. The role of different actors will be conducted and this will entail assessing their capacity to address youth unemployment. A consultative process with key national youth bodies and stakeholders are fundamental to map their challenges and gaps and in highlighting innovative ways to cast a solution.

- Papers should also recommend innovative strategies/policies and ways to enhance capacities in order to efficiently and sustainably tackle youth unemployment.

This scope will be covered with stakeholder consultations and interviews with a short questionnaire for experts and policymakers in the Sub-Saharan countries to identify and suggest possible ways and policies that enhance capacities to tackle youth unemployment. Benchmarking and discussion of country success stories are fundamental in this research scope since the lessons will guide policy agenda and how to address capacity challenges. Ways in which other countries have succeeded in addressing youth unemployment are key to pave a future policy reform process and offers information to the requisite approaches/programs to addressing unemployment.

- The state and specific role of capacity building and education/training (for example, the education/training-job mismatching issue) at the country and/or regional levels with respect to youth unemployment issues are of great relevance.

The role of different stakeholders will be conducted through the literature review and characterization of youth unemployment data collection in the Sub-Saharan countries selected. Support by the government to youth unemployment through the government budget has been carried in many developing countries and this will be profiled. The contribution of the private sector and magnitudes to youth employment would be included in the scope to address the role of the state and capacity and education/training. This analysis will include assessing investments in the education system and specific provisions for matching skills with labor market needs. Other development partners have supported programs for youth empowerment and employment generation and these will be covered in the analysis. The research will discuss and highlight programs and strategies adopted to address the mismatch between training and job market needs which is also adding to the high unemployment among developing countries. This element will be supplemented with best practice lessons to address training and labor market approaches found and implemented in successful countries when addressing high youth unemployment.

- Drawing on the empirical analyses and/or case studies, the studies/papers under this call should clearly specify the capacity imperatives for sustainably and efficiently tackling youth unemployment.

The research scope literature review, stakeholder consultations, expert interviews, and lessons from success story countries would be utilized to specify the capacity gaps and to identify innovative ways to address youth unemployment. The case study of Sub-Saharan countries would add value and insight on the gaps that should be given attention for capacity enhancement. The characterization of youth unemployment programs among Sub-Saharan countries will result in the identification of policy gaps that will shed light on mapping capacity building priorities.

Youth Unemployment in Africa: Capacity Building and Innovative Strategies

“Case Study for Selected Sub-Saharan African Countries – Botswana, Namibia, South Africa and Swaziland”

STAKEHOLDER QUESTIONNAIRE



Botswana Institute
for Development
Policy Analysis



THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE

Securing Africa's future through capacity development

Purpose of the Survey

The goal of this interview is to obtain information on the challenges, implications and gaps in the current policies and strategies addressing youth unemployment among the SSA countries. The survey is further expected to identify capacity gaps, key policy priority, innovative solutions and best practice models to tackle youth unemployment.

Questions

A. Causes, challenges and impacts of youth unemployment:

1. Give brief background and an overview of youth unemployment in your Country?
2. What are the main causes of youth unemployment in your country?

B. Perspectives on policies, strategies and programmes to addressing youth unemployment

3. What are the current interventions, programmes, policies and strategies regarding youth unemployment in your country?

C. Effectiveness of programmes, relevance, adequacy

4. How effective, relevant and adequate are the interventions, programmes, policies and strategies dealing youth unemployment?
5. Please highlight the gaps, the short falls and the positive aspects of these interventions, programmes, policies and strategies.
6. Is there a system in place to evaluate measures taken to fight youth unemployment (e.g. for collecting feedback from young people on how services function and measures aimed at assisting them)?

D. Emerging capacity and policy gaps

7. What are the capacity and policy gaps that contribute to youth unemployment in your country?

E. Suggested approaches to addressing youth unemployment

8. What can be done to create more jobs for the youth?
9. How can interventions, programmes, policies and strategies be improved in order to address youth unemployment?
10. Are there any other innovative ways of dealing with youth unemployment?
11. In case of a gradual implementation of the youth empowerment schemes in your country, to which groups of young people should priority be given (vulnerable groups, long-term unemployed, young people with complex needs, "hard-to help" unemployed young people, etc.)?

F. Best practice models that can be considered

12. Are you aware of any best practice models that if adopted could reduce youth unemployment in Africa?

G. Regional/Partnership approaches to addressing youth unemployment?

13. Is there collaboration amongst stakeholders or initiatives agreed between social partners and other stakeholders to help young people find work in your country?
14. How would you evaluate the collaboration between stakeholders (i.e. employers' organisations, trade unions, organised civil society, the private sector) in your country regarding youth employment? Please explain, giving suggestions for improvement where necessary and practical examples?
15. How do you see possible cooperation between your country and others regarding youth employment? Do you think that labour mobility between nations could be used as a tool to fight Youth Unemployment in the region?

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