Introduction: Growth policies have not been very inclusive and do not create jobs for young people.

For the past twenty years, growth policies in African countries have shown economic growth rates of between 5% and 9%, leading some economists to call Africa the “new growth frontier” and characterise it as a space of “new strategic interest” (Benhida, 2015). While some might question the quality and credibility of these statistics to measure real economic performance (Jerven, 2013), they remain the compass points for public development policies and indices of the attractiveness of certain countries. The emergence of a middle class (a heterogeneous and notoriously difficult group to define) is regarded as a sign of a nascent “real domestic market” and “growing demand for goods and services” – the stuff of investors’ dreams (Loison, M-H. 2012, p. 4) and a potential new investment pole for growth and job creation in the eyes of development agencies. But the expected effects of this much-heralded economic growth rarely materialise, and most multilateral partners have come to the same conclusion: that this growth does not have the capacity to create jobs.

The African Development Bank (AfDB) reports that “recent high growth rates in Africa have not been accompanied by increased job creation” (African Development Bank, 2018, p. 43). The same report (2018, p. 46) also notes that the countries with the highest economic growth rates have actually created fewer jobs than countries that have grown more slowly. According to AfDB calculations, the elasticity of expected employment growth1 needs to average at least 0.7 for GDP growth to have a positive impact on employment and labour productivity. Most African countries span a wide range from 0.41 and 1. Based on aggregated World Bank (2017) and ILO (2011) data, which has been taken from a sample of forty-seven countries, it is assumed that an elasticity of 0.7 would ensure labour productivity growth had an impact on poverty reduction. The data show in practice that only “six African countries (Senegal, Congo, Malawi, Niger, Benin and Mauritania) have elasticity close to 0.7; twelve others have higher

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1 Elasticity of employment growth “is the ratio of the employment growth rate between 2000 and 2014 to the growth rate of GDP over the same period. Elasticity greater than 1 means that employment grew faster than GDP; elasticity less than 1 means that GDP grew faster than employment; and elasticity of 1 means that employment and GDP grew at the same rate” (African Development Bank. (2018, p. 46).
employment elasticity (Côte d’Ivoire, Cameroon, Mali, Gambia, Guinea Bissau, Burundi, Togo, Algeria, Liberia, Madagascar, Guinea, Comoros); while the majority of African countries have low employment elasticity (in which GDP growth exceeds employment growth). This is especially true of oil-producing nations, most notably Equatorial Guinea, Nigeria and Gabon. Although low employment elasticity is associated with higher labour productivity, it also means that fewer jobs will be created for a given productivity growth rate” (African Development Bank, 2018, p. 46).

The International Labour Organization report confirms this trend, and also highlights the disconnect between the growing young population in African countries and resulting demand for work, and the inability of economic policies to meet this demand by creating sufficient jobs in the formal sector or favourable conditions for viable self-employment. Generally speaking, unemployment in Africa is widely underestimated due to the poor quality of statistical data, but it is possible to get a rough idea of the youth employment situation from several studies based on compilations of national data. A report on the situation of young people in Francophone Africa produced by the Organisation Internationale de la Francophonie used the actual share of young people in the total unemployed population in Francophone countries in 2017 to show that significant proportions of young people aged 15 to 24 are just as badly affected by unemployment as older age groups (2018, p. 24). For example, 53% of young people in this age group are affected by unemployment in Cameroon, 50% in Niger and 52% in Chad. The ILO report identifies some of the factors behind the unemployment that blights much of the continent, noting that the number of young people (15-29 years) in Africa increased by 22.4% between 2005 and 2015, while the number of non-agricultural jobs only increased by 5.6% over this period (ILO, 2020, p. 32). The data show that growth policies are not inclusive, which raises several questions; while the socio-demographic indicators underline the urgent need to reflect on realistic possible alternative mechanisms to include young people in wealth production and redistribution processes.

This paper will investigate the relationship between demography, youth and employment in Africa and will further reflect on the policy options for inclusive growth and youth employment in Africa.

1 - The youth paradox is accentuated by the effects of Covid-19, while the concrete short- and medium-term prospects for young people remain unclear.

There is considerable disquiet about youth and the youthfulness of African populations, which are key issues for development policies in Africa, in theory at least. Although the exact age group of the category of the population described as “young” is difficult to define, the youthfulness of African populations has become a major concern over the last twenty years. It is both regarded as a time bomb, and also advanced as a major opportunity for the continent, when set against the ageing of populations in Europe, North America and Asia. The rhetoric on this issue is also paradoxical. Sycophantic speeches on the opportunities that young people represent for the continent, and how the future belongs to them, are accompanied by largely empty promises from politicians and public authorities to make the young the spearhead of social and economic progress. In reality, the effects of Covid-19 are reducing job opportunities and further marginalising young people who already struggle with unemployment, underemployment and the negative impacts that political and economic governance models have on their daily lives. Their exclusion from political life deprives them of the right to political representation in their respective countries’ national decision-making bodies and political arenas, giving them no
control over their present; while the current economic decisions are mortgaging their future. This double political and economic exclusion, which often leads to an indeterminate period of living in “waithood”, dates back to the structural adjustment policies of the 1980s led by the Bretton Woods institutions as a consequence of state indebtedness) and continues today through the measures taken under current training and youth employment policies.

Drawing on quantitative and qualitative data from research in three North-West African countries (Algeria, Morocco and Tunisia), Kovacheva, S., et al. (2018) show that life-stage transitions are becoming increasingly intolerable for young people aged 25-29 in the Middle East and North Africa (MENA) region. One issue that stands out from the nuanced differences between these three countries is the delay caused to marriage. The marital status of young people in this region says much about their situation and the sources of their frustration. This study found that 88% of young men in this age group are unmarried in Algeria, compared with 76% of young men in Morocco and 93% in Tunisia; while the figures for women this age are respectively 62%, 49% and 55%. For this entire category of young people, their life has been put on hold, and is becoming a real social marker of their condition and their ‘youthful’ identity, which is no longer defined by their biological age. Without the attributes of autonomy conferred by opportunities for stable (self-)employment, their time of childhood is prolonged and their entry into the adult world – marked by the ability to start a family, secure a roof over its head and provide for its future and material security – is delayed for an indefinite period. This situation makes any definitional approach to ‘youth’ very difficult. As Gastineau and Golaz (2016, p. 10) note, “Neither researchers, nor international organisations, nor politicians can agree on the definition of youth, except to say that it cannot be reduced to an age bracket”. Young people feel excluded and frustrated by this open-ended waiting period, which undermines the political links between generations and carries a high risk of social unrest and political instability. There is a growing feeling among younger generations that their elders have become self-centred, socially autistic and are only concerned with themselves; that in seizing every available opportunity they are depriving young people of their rightful life chances today, and effectively mortgaging their future.

1.1 - Young people are committed to political change but see no concomitant improvement in their lives. Young people have become more proactive as they feel increasingly marginalised by political parties and the associated apparatus. They capitalise on competing offers from major players on the political stage and actively engage in political conflicts, sometimes to the point where they find themselves in the front line of political struggles. This can be seen in the military-political crisis that consumed Côte d’Ivoire from 2002 to 2011, when the rebel Forces Nouvelles were ranged against Les Jeunes Patriotes, the counter-insurgency movement mobilised by Laurent Gbagbo’s regime, whose military wing had been weakened by the rebellion. Other examples of conflicts where young people were instrumentalised by their elders include the civil war in Congo-Brazzaville (1993-1999), the second civil war in Liberia (1998-2003), the Tutsi genocide in Rwanda (1994), the post-election violence in Kenya in 2007-2008, the civil war in South Sudan (2013-2020), the first and second civil wars in the Democratic Republic of Congo (1996-1997 and1998-2003), the second civil war in the Central African Republic (2012-2013), the Libyan civil war in 2011, and the current conflict in Tigray, Ethiopia.

The 1990s saw young people become much more vocal than they had been in the first two decades after independence. Many were motivated by the hardships that 15-25 year-olds suffered as a result of the structural adjustment programmes of the 1980s; since then many have made their presence felt in the public arena by demonstrating against their situation, challenging the political order from university campuses (Konaté, 2003; Dahlum and Wig, 2020), and taking to the streets. When Mohamed Bouazizi
set himself on fire in early January 2011, in protest against unemployment in Tunisia, the youth movement effectively ended President Ben Ali’s twenty-three years of undivided rule. Their rejection of the current political incumbents was soon repeated in Egypt, leading to the resignation and departure of Hosni Mubarak in April 2011, after thirty years in power. This wind of revolution powered by young people has blown into sub-Saharan Africa too, inspiring forms of peaceful protest led by a collective of rappers and journalists in Senegal (‘Y’en a marre’) and Burkina Faso (‘Balai citoyen’). The first movement, which was formed “to express anger at social injustice, corruption and poor governance” (Haeringer, Fadel Baro, 2012: 151), ended up “annoying the authorities” and thwarting President Abdoulaye Wade’s plan to retain power in 2012; while the second movement played a decisive role in Blaise Compaoré’s fall from power in 2014, after twenty-seven years of rule in Burkina Faso. Young people are also at the forefront of the Lucha movement (an acronym for Lutte pour le Changement), which appeared on the political scene in the Democratic Republic of Congo in 2012 to defend constitutional legality and fight for access to basic social services; while the civil disobedience movement led by young people without a political identity in Sudan led to the fall of President Omar Al-Bashir in 2019, after thirty years in power.

Young political activists are also harnessing the new communication ecosystem to their cause, taking advantage of the possibilities that cyberspace offers for communication, mobilisation and action (Comaroff, 2000: 7). This political use of digital technologies has prompted some authors to talk of a “third wave of African protest” (Mateos and Saro, 2020). One of the characteristics of this third wave of pro-democracy demonstrations is its leaders’ ability to use digital technology to create a new space for autonomy and regional cooperation between youth movements. One example of this is the consultation meeting between activists from Lucha, Balai Citoyen and Y’en a marre that took place in Kinshasa in March 2015. Like their counterparts around the world, young people in low-income African countries have become aware of the power of digital activism as an instrument of political struggle (Jha Kumar and Kodila-Tedika, 2019; Saleh, 2012). It is particularly powerful because social platforms and networks such as Facebook, Instagram and WhatsApp allow activists to circumvent the control mechanisms in place in conventional public arenas, and to disseminate alternative political information or call for social and political mobilisation. This political communication strategy has proved very effective in South Africa (Steenkamp, Hyde and Clark, 2014), as has “hacktivism” in Uganda (Solomon, 2017). The appropriation of new technologies as an alternative vehicle for citizen engagement in Ghana is called “mobile phone democracy” (Tettey, 2017).

Young people played an active role in establishing democracy in the 1990s and rose up against the restoration of authoritarian powers in the 2000s; while the ‘Arab Spring’ in Tunisia and Egypt (Roberts, 2015; Danju and Maasoglu, 2013) is a more recent reminder of their capacity to take action to overthrow oppressive political orders. These movements were also an unprecedented manifestation of young people’s frustration at their situation and the crisis of trust between them and the political authorities. These experiences of youth-led revolution in North Africa paved the way for other paths into the political arena, particularly in sub-Saharan Africa.

Some who feel deprived of their political right of representation are using their artistic talents as a channel of political expression, turning to music and poetry to protest at the structural disadvantages of their lives or express their general malaise (Konaté, 2002; Bahi and Biaya, 1996). Ivorian youth speak out through zouglou (Adom, 2015) or coupé-décaler (Kadi, 2014), while young people in Uganda, Senegal, Mali, the Comoros and Cameroon use rap, slam and hip hop to engage in political debates or call for social cohesion and reconciliation (Degorce
and Palé, 2018; Pecqueur, 2019). In countries such as South Africa (Ntarangwi, 2015), which are affected by socio-political tensions and conflicts, music is a medium for protesting against injustice and challenging what the young see as politically incorrect or socially unacceptable (Kadi, 2014; Gawa 2014).

If young people can be ‘makers’ as forces for social and political change, they can also be ‘breakers’ in Honwana’s (2012) sense of the many ways in which they show their resilience to marginalisation.

1.2 - Young people’s resilience to their marginalisation. Many young people respond to uncertainty by forging their own path. The informal sector is the main source of jobs and income for an ever-increasing number of young people, while others turn to clandestine emigration, illicit trafficking, urban and roadside banditry, or enlist in armed groups in order to earn money and gain social status. The literature on the main reasons why young Sahelians take up arms in northern and eastern Burkina Faso, central Mali and the area between Ménaka in Mali and Tillabéry in Niger highlights the prevalence of socio-economic factors over security determinants (Zanoletti and Riche, 2020). Those who turn to armed groups often end up using violence to enforce certain religious beliefs, thereby maintaining the link between political and religious interests (Zanoletti and Riche, 2020). Whether it is Boko Haram in Nigeria, Al-Qaeda in the Islamic Maghreb (AQIM), the jihadist group Islamic State in West Africa (ISWAP) in Mali, or the Islamist group Harakat Al-Shabaab Al Mujaheddin in Somalia, the ways in which young people are involved in civil wars and extreme violent jihadist movements should be seen in relation to the often-high unemployment rates and precarious socio-economic conditions in these countries (Mesa, 2000, p. 73). Certain forms of resilience to marginality entail channelling youthful energy into political or criminal violence, which then become a source of lasting political instability, as is the case in Nigeria, Côte d'Ivoire and the DRC. The insecurity that exists in many African cities can therefore be traced back to the initial vulnerability of those who now threaten the security of their fellow citizens.

Demands for inclusive action on youth issues are often met with empty promises. Governments all over Africa are ramping up their youth employment support programmes, while opposition parties capitalise on the political urgency of the issue by accusing the authorities of lacking initiative and criticising their weak attempts to improve young people’s futures – despite their own inability to propose credible or realistic alternative solutions. Political parties of all colours court young people with competing, often empty promises, especially in the runup to elections. The African Union, the African Development Bank, the United Nations, the World Bank, the European Union, bilateral development agencies and bilateral and multilateral cooperation organisations all agree on the urgency of the youth issue, and its potential to cause political instability if nothing is done to correct the situation. United in strong consensus on this point, they are constantly urging national governments (who are well aware of the need to act) to adopt public policies that focus on young people and aim to maximise the demographic dividend. Member States of the African Union are accordingly invited to develop strategies based on regional and global agreements such as the Ouagadougou Declaration, which defines the regional framework for the promotion of employment in member states, the Malabo Declaration on Member States’ commitment to reduce youth and female unemployment, and Agenda 2063, whose priorities include creating jobs and opportunities to promote youth employment and self-sufficiency. In addition to these regional agreements, there is the UN-backed African Youth Charter to promote youth initiatives based on an action plan for the period 2009-2018. At best, these strategies rarely go beyond opening lines of credit to fund youth programmes, which are rarely evaluated, are sometimes politically tainted, and often
prove unviable or incapable of generating the changes required to address the issues at stake. Most of these strategies prove ineffective and fall short of expectations.

Young people do not lack talent, they just want support. Young people have had a positive impact on digital technologies and the creative industries in Africa over the last twenty years. They have demonstrated their ability to mobilise their talents to enter the goods and services market, despite being marginalised by the limited public steps taken to democratise access to the internet and the use of digital technologies (infrastructure provision, pricing policy, support for incubator networks, etc.), and the continued high costs of connection and communication. A combination of factors, such as the rapid rollout of 4G broadband, rising rates of mobile phone penetration (around 45% in sub-Saharan Africa and 67% in North Africa in 2018), and increasingly connected populations have created new opportunities to consolidate digital ecosystems in both East and West Africa.

Urban youth have seized these opportunities for innovation and political emancipation by becoming vectors for the adoption and transfer of digital solutions for formal and informal businesses, especially in urban areas. Young digital entrepreneurs and incubator networks are taking off (Gonzales and Dechalet, 2015), and new forms of activity have gradually emerged in the capital cities of West and Central Africa, where small vendors known as cabinistes provide services, such as unit transfers or telephone calls (Schilling and Dembele, 2019).

These young digital micro-entrepreneurs use social networks to help small informal traders and artisans digitalise their business practices and offerings. Digital solutions adapted to the needs of less qualified micro-entrepreneurs or consumers with little education are proliferating in cities all over Africa, contributing to a progressive digitalisation of social and economic life on the continent (Akindès and Kouamé, 2019). People’s quality of life in cities such as Cotonou, Lomé and Kigali has been improved by being able to use smartphones to book and pay for motorbike taxis, while new home delivery platforms enable residents of Abidjan to have everyday food products delivered to their door. The catering sector has also caught on to this digital dynamic.

Despite the many constraints they face, including a technological environment that does little to help them realise their entrepreneurial ambitions at any speed, young Africans’ engagement in digital socialisation augurs well for what the World Bank’s latest report on the future of work describes as the “future employment landscape in sub-Saharan Africa” (World Bank, 2021 p. 54). The current dynamics also chime with Bill Gates’ enthusiastic talk of the “potential for accelerating economic growth in Africa’s young population” and the rise of digital technologies in ‘Silicon Savannahs’ from Johannesburg to Cape Town and Lagos to Nairobi. Informal start-ups have also introduced low-cost digital services into the fields of art, culture and fashion, where young people can see a future for their talents regardless of their educational status. Technological solutions are being used to foster individual and collective artistic creativity, while on a broader scale, non-traditional networking mechanisms between producers and artists can provide an alternative structure for the creative industries.

2 - Demography, economic policy and youth employment issues

The combination of a sharp reduction in infant mortality and a higher fertility rate than other parts of the world have set Africa on course to have a population of almost 2.5 billion by 2050, meaning that the continent will be home to more than a quarter of the global population. A
striking feature of this demographic development is the broad base of the age pyramid, which reflects the youthfulness of African populations. This demographic structure gives rise to a series of contradictions that place youth employment squarely back at the heart of the development debate. We believe that three aspects of these contradictions are particularly important, as outlined below.

2.1 - Current growth policies do not benefit young people: massive unemployment and underemployment in an increasingly young and educated African population.

Although the African Development Bank Group regards young people as Africa’s greatest asset (AfDB, 2015), it not only remains untapped but is even sometimes perceived as a political threat. Africa has the largest youth population in the world, with over 200 million people aged 15-24. In 2015, AfDB estimates based on the rapid growth of this young population calculated that this cohort would double to over 830 million by 2050 (AfDB, 2015). Several reports also highlight the fact that young Africans are increasingly better educated, yet still find themselves unemployed or underemployed in the informal sector, despite their qualifications.2 This is often blamed on “the mismatch between the skills that young jobseekers can offer and those that employers need” (ACBF, 2016 p.10).

Almost all African countries have shown signs of economic progress over the past decade, with annual growth rates of between 5% and 9%. However, this has had little effect in terms of reducing poverty, which particularly affects young people and women. Although one of the expected effects of economic growth is job creation, which should help redistribute the wealth generated through growth, instead there has been talk of “jobless growth” in Africa. The African Development Bank notes that “recent high growth rates in Africa have not been accompanied by increased job creation”. The daily lives of young people across the continent do not reflect the improving health of some of its countries’ economies. In 2020, an International Labour Organization (ILO) report on employment in Africa stated that “nearly 34 million people were unemployed in Africa in 2019, including 12.2 million young people aged 15-24, which is 6.4 million more than in 2010, and an increase of nearly 1.5 million in the number of unemployed youths. The region’s unemployment rate (6.8%) is well above the global average (5%), meaning that unemployment is a major problem in Africa” [ILO, 2020, p. 17]. The same report confirms that economies on the continent lack the capacity to generate sufficient jobs or create the conditions for viable forms of self-employment. The youth population (15-29 year-olds) in Africa grew by 22.4% between 2005 and 2015, but non-agricultural jobs only increased by 5.6%. The ILO therefore concludes that “the growth of non-agricultural employment in Africa has not kept pace with the growth of a rapidly expanding youth population” [ILO, 2020, p. 32].

The direct impact of this employment gap has been to make young people increasingly dependent on working adults. This situation is further aggravated by the fact that 40% of young people in sub-Saharan Africa are not educated, despite efforts to improve training and education over the past two decades. Education systems are ineffective and still struggle to transform young people’s potential into human capital (Heyneman, 1997; AfDB, 2020, p. 6). This causes structural inequalities that either lead to high rates of early exit from the education system, or to the production of graduates who’s training barely covers the skills that are supposed to prepare them for the world of work. Young people are further hampered by the

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lack of technical and vocational education systems, and structural inequalities in access to education in urban and rural areas. Even when they do enter the labour market, few young people who have been educated in such systems manage to access decent jobs. The ILO estimates that 63% of young African workers were poor, and an estimated 50% of adults aged 25 and over were classified as working poor in 2020 [ILO, 2020, p. 22]. The Covid-19 health crisis has added another layer to pre-existing inequalities in the education system and access to employment, as the collateral effects of the economic measures taken in response to the pandemic have made young people even more vulnerable than they were before.

2.2 - The employment challenge facing governments with a young population.

The population structure in Africa has generated an urgent need for massive and rapid job creation across the continent. An estimated 30 million young Africans will enter the labour market each year by 2030, accounting for three quarters of global youth entry. This means that the number of jobs will need to be doubled: in other words, 450 million extra jobs will need to be created in addition to those that employ the current working population of around 500 million. This is a huge challenge for the whole continent, not least because job creation is already considered insufficient. With 30% of young people in North Africa and nearly 55% in Southern Africa already considered ‘inactive’, this gap between supply and demand is likely to widen if nothing is done, creating serious insecurity and high unemployment in some regions. The main challenge is how to “promote inclusive and transformative growth in Africa, where young people drive and are responsible for their own economic and social development” (African Development Bank Report on Youth Employment in Africa, 2015, p. 9). The International Monetary Fund study on ‘Capital Flows and the Future of Employment’ in sub-Saharan Africa estimates that the region needs to create 20 million net new jobs each year over the next 20 years in order to “absorb new entrants into the labour markets”.

3 - How can African governments innovate in terms of employment policy?

In order to help reverse this trend and avoid the concomitant risks of social and political instability in the short and medium term, which economic options would create the most opportunities for youth inclusion through employment? We argue that the most relevant responses would be economic policies with a stronger focus on better integrated education and employment policies. This will entail thinking beyond simple educational reforms, and re-evaluating human capital, particularly in the informal sector. In this instance, the informal sector is understood as any activities to produce goods and services that are not recorded in national accounts and thereby avoid taxes on added value, whether or not they take place in the public domain.

3.1 - Rethink employment policy within a framework of economic policies that go beyond neoliberal standards reliant on business as the spearhead of shared wealth production.

The social viability of an economic policy depends on its capacity to create wealth and foster its distribution through access to decent, stable jobs. In 2017, a report presented in Durban on the sidelines of the 27th World Economic Forum for Africa already projected an estimated need for 450 million jobs to absorb the population of young job seekers. As the continent’s capacity for job creation stands at

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3 https://ideas4development.org/jeunesse-africaine-avenir-continent/
only 100 million, how can this gap be filled? The unchanging advice from the Bretton Woods institutions – that the answer lies in accelerated industrialisation, technological innovation and capitalisation, and agricultural mechanisation – has become something of a fixed doctrine or, as Daum and Birner (2020) would argue, “a myth”. Other suggestions to enable the economy, private enterprise and people to thrive include improving the business environment and, increasingly, ‘integration and connectivity’ (IMF, 2018, p. 40). Looking at the future of employment in sub-Saharan Africa in the light of how previous periods of technological change have affected the world of work, the IMF fears that what it calls “the fourth industrial revolution” runs the risk of replacing working people with technology and causing upheaval across the continent. The IMF also questions “the impact of the current wave of technological innovation on sub-Saharan Africa’s comparative advantage and on the nature of employment in the region's countries” (IMF, p. 39), given that its comparative advantage lies in its youthful population and the availability of natural resources.

Although it does consider the effects of climate change on economic opportunities, this vision of future employment in sub-Saharan Africa seems less concerned with the actual dynamics of national and regional economies than with globalisation, which would increase the connection between African economies and the global economy. Moreover, the fact that an institution like the World Bank has such a skewed view of the informal sector – the economic sector that absorbs the largest share of the workforce in Africa and which therefore plays an important role in wealth creation and redistribution – reveals the disconnect between the economic policies that are recommended and the realities they are supposed to transform. This is borne out by the relationship the Bretton Woods institutions have with the informal sector, and the demeaning perception of it encapsulated in a debate tellingly entitled ‘Five reasons to worry about the weight of informality’. 4 This says much about the evolutionary foundations of the economic policy recommendations made to so-called “developing countries”.

According to Shu Yu and Dana Varisek, the two economists and members of the World Bank Development Prospects Group who moderated the debate, the widespread ‘informality’ of economies risks complicating the task governments face at a time when they need to embark on what Yu and Varisek describe as the inclusive development path needed to repair the damage done by the Covid-19 pandemic. They cite the first cause of this potential complication as the omnipresence of the informal sector, which they describe as the ‘shadow economy’ despite its visible presence on every street corner in African cities, and the fact that it is recognised as the main provider of employment in these countries. The second cause is the high level of informality in these countries, which the authors associate with low productivity on the basis that informal workers are paid an average of 19% less than those employed in the formal sector. This is taken to mean that the informal sector contributes to the vicious circle of poverty. The third potential complication, which directly relates to the previous one, is that the informal economy is correlated with multiple development challenges because it does not facilitate faster improvement in per capita incomes, and therefore slows progress towards the Sustainable Development Goals, maintains greater inequality and encourages lower investment. Their final cause for concern is that the strength of the informal sector, the so-called ‘shadow economy’, is generally correlated with weak state capacity. Because it operates ‘in the shadows’ (albeit in plain sight) in the landscape of African cities, the informal sector is beyond the reach of the tax authorities – which also explains the low levels of state revenue and expenditure, the lack of effective public institutions, and more fragile governance in the countries concerned.

4 https://blogs.worldbank.org/fr/voices/cinq-raisons-de-sinquieter-du-poids-de-leconomie-informelle
This negative perception of the informal sector, which is rooted in a neo-liberal conception of employment policies, cannot provide the basis for alternative solutions that would transform the informal sector (labour, goods and services delivered) into the cornerstone of inclusive development in countries with particular economic structures. A mindset that sees the informal sector solely in terms of its resistance to paying tax ignores the possible opportunities to make it the fulcrum of an economic policy that provides stable and viable jobs.

This presentation of African social realities, described above, is stuck in a mould, into which it attempts to fit very diverse economies, including sectors which balk at paying tax but without receiving any state services in return. In the face of a reality which does not match the conventional framework, the resolutely neo-liberal and globalising diagnosis often leads to policy recommendations for the informal sector that are little more than prescriptions based on the economic history of industrialised countries, projected onto Africa. Today, the IMF advises African countries to “adjust their economies and labour forces to the opportunities that arise” (IMF, 2018 p. 40), pretending to take account of the fact that employment on the continent is largely informal, and that demand for goods and services is still fairly basic and is met in many different ways. It is as if employment policies for African contexts try, but fail, to fit into the neo-liberal frameworks prescribed by development agencies, which are not at all sensitive to contextual data. As a result, these policies only respond to signals from an outward-facing labour market, which is mainly shaped by the demand for labour geared towards the needs and interests of Foreign Direct Investment (FDI) and a national business environment steered by an elite that has been co-opted by the international capitalist system.

Despite the many weaknesses of African economies, the following questions remain unanswered: How can their growth be made more endogenous? And how can the dividends derived from economic growth be rationally reinvested in order to realise the potential of populations where, depending on the country, over 70% to 90% of people work in the informal sector? Given that it employs such a large percentage of the workforce, finding answers to these questions could help the informal sector spearhead the creation of shared wealth.

3.2 - Prioritise domestic demand, change the way the informal sector is viewed, and base development on the sector’s potential human capital and creativity.

Successive reports of the World Bank’s publication Doing Business provide a rating of each state as more or less satisfactory, according to (i) their capacity to carry out reforms that will facilitate their country’s integration into the global economy, and (ii) assessments of their performance by private intermediaries, such as rating agencies, which have become the guardians of neoliberal orthodoxy. The indicators used in these assessments are generally geared towards securing international finance (Hui, K.W. et al., 2020), and the agencies’ disciplinary role in this field sometimes leads to discriminatory credit ratings (Barta, Z. and A. Johnston 2017). These instruments are dedicated to protecting the interests of international capital and leave no room for endogenous evaluation or prospective readings of the evolution of domestic demand. Their matrix of indicators does not address key questions such as the level of technological demand in African economies, the reasons why African economies are sometimes resistant to global models, or what makes growth models based on exports of raw materials and extractive industries liable to create very few jobs and little added value. Despite such major shortcomings, these instruments still play a dominant role in determining economic policies in Africa. To correct externalities that are deemed negative when these economic models are projected onto
African contexts, the Bretton Woods institutions are increasingly asking African states to draw on the “developmental state” model adopted by East Asian countries in the 1970s and 1980s. According to them, this was exemplified by greater liberalisation of trade and financial markets, limited investment in welfare, and capable, effective bureaucracies that prioritised the use of scarce resources in economic and industrial policies (Lee, Y, Ku, Y 2007). Although these recipes for reform aim to adjust the dynamics of African economies in order to better integrate them into the global economy, they actually reduce the extent to which states are able to manage their internal social and economic dynamics. Set against a backdrop of public policies that pay too much attention to the expectations of foreign direct investment, and too little to endogenous dynamics and internal needs, implementing such recipes has not really helped any African state build a more relevant and therefore more widely inclusive labour market.

The inability to create sufficient jobs has created a gap between economic growth efforts and redistribution policies. To address this gap, neo-liberal economic policies started focusing on the link between education and labour, which has become a key paradigm for public policies to make economies more inclusive through expanding employment. The link between education and skills has been a major economic policy issue since the 1960s and 1970s and the emergence of competitive employment models, human capital theory and assignment modelling in the literature on labour economics.

Despite the vast amount of literature on these issues, public policies still need to square the ‘skills mismatch’ with the ‘skills gap’. This is a recurrent theme in development policy discourse on education, youth and unemployment in both the Arab world (Adely, 2021) and in Africa, but has yet to generate any corrective measures. In Africa, the general observation is that “although there has been a rapid rise in school enrolment and levels of education over the last few decades, this progress has often been to the detriment of the quality and diversification of supply, particularly in terms of what is needed for productive employment” (Barlet and d’Aiglepierre, 2016). While the quality aspect of this assessment is not disputed, there is considerable controversy over the diversification of supply. The situation is not helped by the almost total lack of answers to the following questions: What skills will different countries and the sub-Saharan region really need in five, ten, twenty and thirty years? Which objective and verifiable indicators can we use to determine the relevance of these skills need-assessments? In a changing global and international environment, what type of job market should the education system in sub-Saharan Africa envisage to provide future-proof training and skills? Answering these questions requires context, nuance and foresight.

The lack of explicit answers in individual countries and the region as a whole has made it difficult to develop relevant policies. Public policies on integration through employment remain vague due to the absence of reliable statistical data on employment and skills needs, and likely future trends, which in turn makes it hard to make decisions about how to reform education and training systems in order to make young people more employable. Regardless of whether they focus on improving the supply of education or on the demand side of the labour market, so-called matched labour market theories have paid scant attention to either the methodology of labour force forecasting in African societies that are being tested by rapid socio-demographic change, or to “what the nature of education and training should be and how they could be adapted to the supposed demand of companies that are more or less integrated into global markets” (Adely, 2021). It is hard to know what to prioritise in the midst of such confusion. Should it be the labour needed for global economic integration? Responding to national and regional needs? Or adjusting the capacities of production markets to national and
3.3 - Promote a better balance between education and work through both the supply and demand for training.

In order to address employment issues in the context of high youth underemployment and unemployment in Africa, the relationship between education and work needs to be redefined. The key question is how to transform young demographic resources into human capital. This issue, which also faces emerging countries such as China (Mok and Qian, 2018), can only be tackled in a context-specific way.

Every report on the issue of employment and the relationship between education, skills and employment in Africa homes in on the quality of education. In this respect, the main indicator of crisis in education systems is the large gap observed between the skills that the business world expects graduates to have, and the training provided by education systems, which is described and analysed in several studies and reports (Filmer and Fox, 2014; Leopold et al, 2017a and b; El-Kogali et al, 2020; Galal et al, 2008, p.3). In order to redefine the link between the education system and the labour market, we would like to differentiate between two approaches that tend to be confused – training for entrepreneurship, and training for business – and then note our preference for the former.

Before we discuss training for entrepreneurship, we would like to clear up the confusion between the skills needs of societies undergoing rapid change, and the skills needs of businesses. Businesses are different from societies, and confusing the two tends to limit skills training so that it only responds to the needs of businesses, which are only one segment of society. The many different social and economic needs that arise in changing societies are not always potentially profitable enough to interest the private sector, yet the goods and services needed to meet these needs provide employment opportunities in the informal sector and are the basis of its development. Building the capacity of informal sector actors to continue providing improved goods and services should become a priority objective of education and training policy. This will require new types of skills training, or mean changing the way certain skills are taught, and ensuring that they are anchored in specific contexts. This approach, in turn, implies a break with public employment policies based on high labour-mobility models borrowed from historical and political contexts that are different from those of African countries. These policies centre on the supposed potential and hypothetical needs of the most globalised businesses and, as noted above, are often out of step with the actual structure of a labour market dominated by the informal sector. As a result, they are structurally unable to support and enhance the potential of informal occupations, enable them to provide quality goods and services or help generate better, decent incomes.

An alternative public policy approach would use studies of social change to help identify emerging needs that may be ‘glocal’ (from the global to the local) and context-specific. This means assessing the challenges associated with local capacity to meet these needs, and determining which potentialities should be developed. Shifting the focus towards internal dynamics is the first step needed to redefine education and training policies and gear them to domestic demand.
3.4 - Training and employment policies based on young people’s life choices.

Most employment policies that make the link between education, economic policy and labour draw on the recommendations of human capital theory. Education is seen as a factor that can improve the workforce by building on human potential and enabling people with skills to slot into production systems and contribute to wealth creation. When this principle becomes widespread, differentiated employment policies can be developed to take account of each country’s demographic development, age structure and diverse capacities to create wealth, some of which is then reinvested in human development. In countries where the education system has neither been able to create a match between education and work nor address the challenge of integrating young people into the labour market, as is often the case in Africa, many people are forced into unemployment or low-income generating activities. Introducing compulsory training at all stages of social and professional life could become a principle for adjusting and revaluing human capital, enhancing people’s capabilities in the sense understood by Amartya Sen (2009) and Martha Nussbaum (2011).

When talking about policies to match education and work, capabilities should be understood as the skills that every individual should be able to acquire in order to effectively achieve their chosen professional objectives, through education, continuous learning, opportunities to access investment loans and productive infrastructure. Moving to promote employment based on building ‘capabilities’ at every stage of social and professional life is a real social justice issue for young people. As we have already noted, all the reports on employment show that the bulk of jobs are created in the informal sector, which is where the largest number of young people face unemployment and underemployment. Making such opportunities available to actors in both the formal and informal sector would help reach young people on the margins who express their creative freedom through the imaginative use of their artistic talents and digital technologies, creating new activities and meeting emerging demands in urban centres, semi-urban settings and even in rural areas.
Conclusion

This paper has shown the urgent demographic challenges facing many African countries, and young people’s consequent impatience and sense of separation from older generations. Africa has the youngest population in the world. Their youth could be a major asset if countries made a real effort to develop better wealth creation policies to keep this section of the population in productive activities, and by making them stakeholders in and the main beneficiaries of growth. This would entail breaking with traditional employment policy patterns, recognising that the informal sector absorbs a far larger proportion of the labour force in African countries than the formal sector, treating it as part of the real economy and putting it at the heart of growth. In order to value the informal sector properly, policies will need to build the attributes with greatest impact on the quality of human resources and the goods and services they deliver. This is the key to the paradigm shift for employment and development policy presented here.

References


