Africa has the fastest-growing and youngest population in the world. Over 40% are under the age of 15 and 20% are between the ages of 15 and 24 (the definition of youth). These statistics present a serious challenge. Can Africa seize the opportunities being presented, or do Africa’s youth constitute a ticking, demographic time-bomb?

Despite sub-Saharan Africa recording an average annual economic growth rate of 6% or more, this rapid growth has often been non-inclusive and it has become increasingly clear that insufficient attention has been paid to the creation of employment opportunities for young people. The current demographic trend only compounds the problem as the pressure to create new jobs will increase markedly over the coming decades, unless what is known as the “demographic dividend” is realised.

One definition of the demographic dividend is a “large workforce that creates a window of opportunity to invest in the education and health of their children, increase economic outputs and invest more in technology and skills to strengthen the economy.” It is a stage that the most successful economies have reached. Indeed, as much as one-third of East Asia’s economic “miracle” was due to demographic change.

In October 2011, the AfDB is proposing to establish jointly with Unesco and the ILO a “Virtual African Higher Education Observatory” – its purpose is to focus on developing employability training in higher education institutions. By promoting knowledge and best practice transfers from best-performing African higher institutions to higher education policy-makers in Africa, the capacity for policy-making will be enhanced.

The AfDB is attempting to create linkages between educational curricula, on the one hand, and the needs and realities of the productive sectors of the economy on the other – meanwhile encouraging the development of self-employment, and SMEs in the provision of business development training, skills upgrading, and the establishment of producers’ organisations with an emphasis on access to microcredit services and women’s empowerment. The AfDB is currently putting in place a strategy that puts employment front and centre as an objective of its many economic and social policies, such as those related to health, education and social protection. The AfDB not only provides the technical and financial support at the macro level that will promote good governance to encourage business development, infrastructure improvements and rural/urban development – but also with scientific, technology and technical vocational training programmes.

In this initiative does not solely focus on the formal sector, but also gives appropriate attention to the many young people who may be working but are underemployed – working shorter hours than they would like, or reaping little economic gain from their activities.

This represents something of a new vision for the AfDB as the remit is broadening to take in aspects such as precarious or poor employment relationships, working environments, and the provision of social protection for young workers through supporting innovative social safety nets that help weather economic and social shocks.

It is also widely recognised that, with the dearth of formal opportunities, many African youths are forced into the informal economy. They are the very tip of the official employment statistics and this makes the problem of both youth unemployment, and underemployment, even harder to measure.

Furthermore, as with adult literacy rates, youth literacy rates in sub-Saharan Africa are the lowest of any region in the world. Paradoxically, there is a lack of jobs for the increasing numbers of graduates that Africa is producing. This is most pronounced in Northern and Southern Africa where the AfDB reports that there is “an obvious and growing quantitative overproduction of higher education graduates compared to what the labour market can absorb.”

Responding to this mismatch, in a fascinating development, the AfDB is proposing to establish jointly with Unesco and the ILO a Virtual African Higher Education Observatory – its purpose is to focus on developing employability training in higher education institutions. By promoting knowledge and best practice transfers from best-performing African higher institutions to higher education policy-makers in Africa, the capacity for policy-making will be enhanced. The AfDB is attempting to create linkages between educational curricula, on the one hand, and the needs and realities of the productive sectors of the economy on the other – meanwhile encouraging the development of self-employment and SMEs in the provision of business development training, skills upgrading, and the establishment of producers’ organisations with an emphasis on access to microcredit services and women’s empowerment.

The AfDB’s programme policies, in no less than 37 African countries, have been directly targeted at young people with projects that aim to provide employable skills to vulnerable groups including the promotion of self-employment. To this end, the Bank has been increasingly focusing on ICT skills, in recognition of the important effect that appropriate skills development for self-employment can have on the reduction of income poverty.

All the evidence suggests that it is in African countries emerging from conflict that the problem of youth unemployment is most pressing. The entrenchment of ex-combatants, including child soldiers, in post-conflict countries is crucial, and providing meaningful employment opportunities is absolutely critical if the “peace dividend” is to be realised.

Seeking to increase the labour intensity of government-funded public works programs would be an obvious way to scale up employment. By improving physical infrastructure – such as rural roads and water, invariably a national priority in post-conflict countries – employable skills would be transferred, thereby increasing the opportunities for young workers to earn a living income and receive the on-the-job training to allow them to become entrepreneurs.

As much as a third of East Asia’s economic miracle was due to demographic change.