Jobs for Youth in Africa

Catalyzing youth opportunity across Africa

The challenge

Youth are Africa’s greatest asset. Africa’s youth population is rapidly growing and expected to double to over 830 million by 2050. If properly harnessed, this increase in the working age population could support increased productivity and stronger, more inclusive economic growth across the continent.

But today, the majority of youth in Africa do not have stable economic opportunities. Of Africa’s nearly 420 million youth aged 15-35, one-third are unemployed and discouraged, another third are vulnerably employed, and only one in six is in wage employment. Youth face roughly double the unemployment rate of adults, with significant variation by country. The problem is not just unemployment but underemployment, which peaks at just over half of youth in the labor force in low income countries.

While 10 to 12 million youth enter the workforce each year, only 3.1 million jobs are created, leaving vast numbers of youth unemployed. The consequences of youth unemployment in Africa are pervasive and severe: unemployment translates to poorer living conditions, fuels migration out of Africa, and contributes to conflict on the continent itself. Above all, youth unemployment constitutes a failure to capitalize on one of the continent’s greatest assets for growth: its large and growing population of talented young people.

There is therefore an urgent need to create opportunities for youth, with tremendous potential impact. Addressing the multi-faceted causes of youth unemployment on the continent will help drive inclusive economic growth, turning Africa’s demographic dividend into an economic one.

The majority of youth that are employed are engaged in the informal sector, which presents its own challenges. The lack of wage jobs pushes youth into the informal sector, estimated to account for nearly 80% of jobs in some countries. Youth and women are even more likely than other groups to be employed in the informal sector.
90% of Africa’s youth live in low and lower-middle income countries and the biggest challenge they face is the lack of formal jobs. In these countries, 10 to 15% of youth labor force participants find wage employment, while 30-50% are vulnerably employed. In contrast, upper middle income countries such as Algeria and South Africa have higher wage employment and lower vulnerably employment, but high overall unemployment rates, with almost one in every five youth unemployed.

The response

The vision of the Jobs for Youth in Africa Strategy 2016-2025 is to create 25 million jobs and reach over 50 million Africans by driving inclusive growth across the continent and equipping youth to realize their full economic potential. Overall, this strategy is anchored in the overall vision of Improving Quality of Life for All Africans. The desired long-term outcome is expanded economic opportunity for both male and female African youth, which leads to improvements in other aspects of their lives.

There are three main objectives in achieving this goal.

- addressing demand challenges, while making opportunities available to youth across socio-economic strata, rural-urban divides, and gender and age groups.
- addressing supply challenges, in human capital development and equipping youth with skills that match labor market needs.
- addressing linkage challenges, to create better connections between employers and young Africans.

This holistic framework for creating employment and economic opportunity for youth will be supported by an investment facility. The facility will deploy a variety of financing instruments including concessional and market-oriented blended finance, to be funded by both the Bank and external partners. This includes bilateral donors, foundations, corporations, and investors.

The investment facility will be a catalyst through using a combination of private and public capital. Each category of interventions has a specific purpose grounded in unmet need: i) reduce financing risks in order to unleash more capital such as guarantees and shared risk mechanisms; ii) expand access to capital for interventions that target scaling vehicles that target youth employment effects, direct investments to grow youth centric businesses:, and iii) incentivize private investment in youth employment challenges.

The role of the African Development Bank

The AfDB has a transformational vision for youth employment and entrepreneurship in Africa. It is uniquely positioned to facilitate this strategy alongside partners in government, the private sector, and civil society. And by bringing the voices of the African youth into its partnerships and programs through a clear youth engagement framework, the Bank will empower young people.

Jobs for Youth in Africa adds value and scales up in some of the Bank’s flagship programmes

**Agriculture**
On-farm production and off-farm processing
Projections reveal continued growth, creating 41 million jobs over the next 10 years

**Industrialization**
Construction, manufacturing, mining, and utilities
Industry is expected to grow at ~7% annually in Sub-Saharan Africa over the next 5 years, and create 14 million jobs across the continent over the next 10 years

**ICT**
Telecommunications, and all digital products and services
ICT will create 2 million jobs in Africa over the next 5 years, with additional online opportunities

Intended results by 2025
25 million new jobs for young people
50 million youth trained to be entrepreneurs