

Regional labour market trends for youth: Africa

ILO Youth Employment Programme

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1 Youth labour market trends in Africa

The number of young labour market entrants in Africa¹ outpaces the economy's ability to absorb them, resulting in high youth unemployment, discouragement and underemployment.

Despite declining fertility rates in recent years and the devastating effects of the HIV/AIDS epidemic on population growth,² the population of Africa remains among the world's fastest growing and most youthful. In 2005, 62 per cent of the population was below the age of 25 and the share is projected to decrease slightly to almost 60 per cent in 2015. The youth population (aged 15 to 24) is expected to grow by an additional 36 million over the next ten years.³ At the same time, the youth labour force (the sum of the employed and unemployed) is expected to grow by an additional 22 million youth between 2005 and 2015 by then reaching 135 million (see table 1). A growing youth population and youth labour force⁴ are a challenge to the region if not matched by economic growth that results in an offsetting increase in decent employment opportunities.

Table 1
African population, youth population and youth labour force, 1995, 2005 and 2015

	1995	2005	2015
Total population	722,588	905,850	1,115,265
Population below 25 years ('000)	458,953	564,138	666,935
Share of < 25 population in total population (%)	63.5	62.3	59.8
Youth population ('000)	142,12	188,581	224,973
Share of youth in total population (%)	19.7	20.8	20.2
Youth labour force ('000)	87,858	112,164	134,654
Share of youth in total labour force (%)	31.1	30.8	28.9

Source: ILO, Economically Active Population and Projections (EAPAP) database; available at <http://laborsta.ilo.org>

Because young people lack work experience, job searching know-how, social networks and often do not have the skills that are in demand in the labour market, they are those who suffer the most in African labour markets, where an excess supply of jobseekers compete for vacancies. As a consequence, the number of unemployed youth (those who were available and looking for work) on the continent grew by almost 30 per cent between 1995 and 2005 and the youth unemployment rate was as high as 19.5 per cent in 2005 (the world's highest

¹ "Africa" here refers to the entire continent of Africa. In other ILO trends analysis, however, specifically the Global Employment Trends series, the continent of Africa is divided into sub-Saharan Africa and North Africa, the latter of which is combined with the Middle East to make the regional grouping of "the Middle East and North Africa". For the purpose of this paper, sub-Saharan Africa (including Somalia, which is included in the Middle East in the Global Employment Trends reports) and North Africa are presented separately since the socio-economic context of youth labour markets, especially young women, differ vastly between the two regions.

² Sub-Saharan Africa has the highest share of young people living with HIV/AIDS. UN AIDS estimated that 4.3 per cent of the young female population in sub-Saharan Africa were living with HIV/AIDS in 2005. The corresponding HIV/AIDS prevalence rate for young males was 1.5 per cent. See UNAIDS: *2006 Report on the global AIDS epidemic* (New York, 2006); available at http://www.unaids.org/en/HIV_data/2006GlobalReport/default.asp.

³ Population and labour force data are from ILO Economically Active Population and Projections (EAPAP) database; available at <http://laborsta.ilo.org>

⁴ This is contrary to most other regions in the world where youth labour forces are decreasing. See ILO: *Global employment trends for youth* (Geneva, 2006).

behind only Central and Eastern Europe (non-EU) and CIS). Overall, in Africa youth are three times more likely to be unemployed than their adult counterparts.

In 2005, the youth unemployment rate in North Africa was higher than in sub-Saharan Africa – 29.5 per cent and 18.0 per cent, respectively – as was the youth unemployment rate in comparison to the adult unemployment rate (ratio of youth-to-adult unemployment rate) – 3.5 and 3.0, respectively. However, in sub-Saharan Africa, six in ten of the total unemployed were young (share of youth in total unemployment) while the share in North Africa was five in ten. Regardless, both shares are well above the world average of 43.7 per cent⁵, and are indicative of serious demand-side deficiencies, both in the economy's inability to create jobs at a pace sufficient to absorb labour market entrants together with the pools of unemployed and in the labour market's apparent preference for adult workers over young workers. Young people might lack experience but they tend to be highly motivated and capable of offering new ideas or insights. Foregoing this potential is an economic and social waste.

Table 2
Labour market indicators for youth in Africa, by sex and sub-region, 1995 and 2005

	1995			2005		
	Total	Male	Female	Total	Male	Female
Youth unemployment ('000)	17,098	10,259	6,839	21,865	13,156	8,709
Sub-Saharan Africa	13,074	7,684	5,390	17,536	10,512	7,024
North Africa	4,023	2,575	1,448	4,329	2,644	1,685
Youth unemployment rate (%)	19.5	20.1	18.6	19.5	20.1	18.7
Sub-Saharan Africa	17.4	18.3	16.3	18.0	19.1	16.6
North Africa	31.8	28.3	40.5	29.5	25.4	39.6
Ratio of youth-to-adult unemployment rate	3.2	3.4	2.9	3.0	3.3	2.7
Sub-Saharan Africa	3.3	3.6	3.0	3.0	3.3	2.8
North Africa	3.3	3.5	2.8	3.5	3.7	2.9
Youth share of total unemployment (%)	59.3	59.8	58.5	57.4	58.3	56.2
Sub-Saharan Africa	61.1	62.3	59.6	59.5	60.8	57.7
North Africa	54.0	53.4	55.0	50.3	50.1	50.7
Youth employment ('000s)	70,655	40,777	29,879	90,157	52,325	37,832
Sub-Saharan Africa	62,013	34,264	27,749	79,813	44,552	35,261
North Africa	8,642	6,513	2,130	10,344	7,773	2,570
Youth employment-to-population ratio	49.6	57.0	42.2	47.9	55.1	40.5
Sub-Saharan Africa	56.4	62.3	50.5	53.8	59.7	47.8
North Africa	26.7	39.6	13.4	25.8	38.3	13.0
Youth not in the labour force (inactive) ('000)	54,572	20,441	34,131	76,294	29,413	46,881
Sub-Saharan Africa	34,891	13,064	21,827	50,933	19,518	31,415
North Africa	19,681	7,377	12,304	25,361	9,894	15,466
Youth inactivity rate (%)	38.3	28.6	48.2	40.5	31.0	50.2
Sub-Saharan Africa	31.7	23.7	39.7	34.3	26.2	42.6
North Africa	60.8	44.8	77.5	63.3	48.7	78.4

Source: ILO, Global Employment Trends Model, 2006.

Gender discrimination and cultural norms continue to impact young female employment, particularly in North Africa where 78.4 per cent of the young female population were inactive and the female youth unemployment rate exceeded that of male youth by 14 percentage points in 2005. In both sub-regions, and for Africa overall, young females are less likely to be employed than young males and more likely to be outside of the labour force; the employment-to-population ratio of young males exceeded that of young females by 12 percentage points in sub-Saharan Africa and by 25 percentage points in North Africa. Where prospects for finding work are low for all young people, young women are generally the first

⁵ UN Economic Commission for Africa: *Economic report on Africa 2005* (Addis Ababa, 2005); available at <http://www.uneca.org/era2005/>.

to give up their hopes of getting a job to stay at home. A further disadvantage for young women is their limited access to education, as compared with their male peers, which also limits their prospects of finding employment in the formal labour market.⁶

But unemployment is not the only labour market challenge facing youth in Africa. When prospects for finding paid employment in the formal economy are low, young people will either exit the labour force or eke out a living through survival activities. If social safety nets exist – either from the State or through family support – young people may give up on the job search and simply wait for prospects to improve. Such youth are “discouraged workers” and are counted as not in the labour force (inactive). As seen in table 2, the inactivity rate for young people increased in Africa from 38.3 to 40.5 per cent between 1995 and 2005. Part of the increase in the number of inactive youth can be explained by increasing enrolment rates in education⁷, but at least a portion of the increase is likely to be due to an increase in discouragement.⁸ A discouraged young person is in danger of facing a difficult process of reintegrating into the labour force, of feeling useless and becoming alienated from society.

The reality remains that most young Africans cannot afford to be unemployed or inactive. The informal economy serves, therefore, as the outlet for those who are unable to find paid employment in the formal economy and yet must earn an income somehow. Therefore, they take up whatever work is available in the informal economy⁹, where they generally work long hours with no security and low pay that is not sufficient to remove them and their families from poverty. The ILO estimates that as many as 44 million young people in Africa, or 48.7 per cent of all young people who were employed, worked yet did not earn enough to lift themselves and their families above the US\$1 a day poverty line in 2005. Seventy-five million youth worked but continued to live below the US\$2 a day poverty line. Africa was the only region in the world where the number of US\$1 a day young working poor increased since 1995 (by almost 7.7 million).

The agricultural sector remains the largest employer in Africa, taking up a 65 per cent share of total employment in sub-Saharan Africa in 2005.¹⁰ Low and precarious incomes from agricultural activities have led to situations in which poverty rates are substantially higher in

⁶ Ibid.

⁷ Evidence of increasing educational enrolment was not universal, however. As noted in the GET Youth 2006, educational enrolment at the tertiary level declined in several sub-Saharan African countries.

⁸ Very few countries provide information on the number of discouraged workers. The statistical office of South Africa is one of the few countries to provide a number of discouraged workers. In September 2005, 3.3 million South Africans, or 11.2 per cent of the labour force, were available for work but not looking for work. More than half of these were below the age of 30. See: Statistics South Africa: *Labour force survey, September 2005* (Pretoria, 2005); available at <http://www.statssa.gov.za/publications/P0210/P0210September2005.pdf>.

⁹ Of 12 countries in Africa with available data, all showed higher incidence of youth employment in the informal economy than adults. See: L. Guarcello, M. Manacorda, F. Rosati, et al.: *School-to-work transitions in sub-Saharan Africa: An overview*, UCW Working Paper (Understanding Children’s Work Project, Florence, 2005), table 8; available at <http://www.ucw-project.org/pdf/publications/youthSSA.pdf>.

¹⁰ ILO: *Global Employment Trends Model, 2006*. For further information on the ILO world and regional econometric models, consult the following technical background papers: G. Crespi Tarantino: “Imputation, estimation and prediction using the Key Indicators of the Labour Market (KILM) data set”, Employment Strategy Paper No. 16 (ILO, Geneva, 2004); available at <http://www.ilo.org/public/english/employment/strat/download/esp16.pdf>; and S. Kapsos: “Estimating growth requirements for reducing working poverty: Can the world halve working poverty by 2015?”, Employment Strategy Paper No. 14 (ILO, Geneva, 2004); available at <http://www.ilo.org/public/english/employment/strat/download/esp14.pdf>.

rural areas than in urban areas.¹¹ In turn, this has resulted in unusually high rural to urban migration rates for many African countries and to rapid concentration of youth in African cities which further raises the spectre of youth unemployment, discord and unrest.¹² External migration across countries within Africa and to countries outside of Africa in search of better livelihoods represents a significant loss of human capital within the continent. It also exposes young migrants, especially young women, to situations of exploitation and abuse.

Many African youth face the additional challenge of civil disorder that sometimes develops into conflicts and further hampers development. Young unemployed men are prime candidates for recruitment as soldiers in armed conflicts. But young women are widely involved as well, both as perpetrators and as victims of violence in conflict settings.¹³ Over the past decade, wars in some countries of the continent have provided incomes for many young people and have shown that the lack of access to gainful employment for youth can be a contributing factor in protracted or re-emerging conflict.

2 Policy interventions – generic responses

The potential in the youth labour market depends partly on the strength and dynamism of the demand for labour in general and partly on the extent to which young people are able to integrate into labour markets when demand for labour increases. A key challenge for realizing decent work for African youth is, therefore, to create an enabling environment for employment-intensive growth while at the same time implementing policies and operational programmes to help young people overcome the specific disadvantages they face in entering and remaining in the labour market.

With regard to the first set of policies – that is, broad economic and social policies geared toward boosting and sustaining overall employment growth – in many cases, the integration of youth employment into national policy agendas lags behind. The development of specific **national action plans for youth employment**, promoted under the aegis of the Youth Employment Network (YEN) but which is taking place also in countries of the region that have not joined the YEN, represents a step forward towards an integrated approach to youth employment promotion. In fact, these plans are meant to provide a framework to articulate and organize coherent and concerted policies and programmes in this area.

In addition, there are demand- and supply-side policies and programmes that countries can adopt to increase work opportunities for young people as well as their employability. On the demand side, **sectoral development** can generate labour demand for youth, especially in sectors with significant employment potential (i.e. sectors with high employment elasticity or with a strong employment-creation effect). In Africa, rural development remains a significant challenge for reducing poverty and promoting employment for young people. **Strategies to promote rural development** could include promotion of the rural non-farm sector, agricultural credit schemes for young people, adaptation of the educational curricula in order to address the needs of rural youth and enhance their skills, and improvement of agricultural infrastructure, such as irrigation systems and rural road networks. **Public works and community services** when well designed and targeted are job-creation measures that can benefit certain groups of young people, in given sectors or geographical areas. Many countries in the region are implementing these programmes. Although they generally do not offer long-term employment solutions, they can help young people gain a

¹¹ The UN estimates that approximately 70 per cent of poor people in Africa are living in rural areas. UN: *World youth report 2005* (New York, 2005), p. 129.

¹² M. Sommers: “Youth, war and urban Africa: Challenges, misunderstandings and opportunities”, in B. Ruble, J. Tulchin, et al., eds.: *Youth explosion in developing world cities* (Woodrow Wilson International Center for Scholars, Washington, DC, 2003). See also, UN Office for West Africa: *Youth unemployment and regional insecurity in West Africa* (Dakar, December 2005).

¹³ UN: *World youth report 2005*, op. cit., pp. 144-192.

foothold in the labour market. They can also increase the productivity of low-skilled workers if combined with other interventions and services aimed to improve the employability of participants (e.g. training, job search and counselling).

Private sector development is a key engine of job creation. In many African countries, small and medium-sized enterprises make up the bulk of private sector enterprises and are an important provider of jobs for young people. However, they often operate outside the formal economy. More efforts should be geared to assisting young people in setting up or joining small enterprises and to enabling them to make the transition from the informal to the formal economy through incentives such as training and increased access to credit. These measures should aim also at advancing rights at work, including by ensuring that young people establishing or working in small business enjoy the right to participate in employers' and workers' organizations. The development of **entrepreneurship** among young people is an important component of employment policies, although it is not a panacea in itself. Specific entrepreneurship programmes are more likely to be effective if embedded in an enabling regulatory environment that is conducive to youth entrepreneurship. For example, efficient and fair regulations for business registration help young people start a business in the formal economy. **Cooperatives** are also an important means of promoting decent jobs for young people.

On the supply-side, policies and programmes for youth employment promotion span a wide range of areas. Education constitutes the foundation of youth people's employability. Enrolment rates at the secondary level in Africa, although improving, remain low in comparison to other regions and an alarming number of young Africans have no schooling at all. Illiteracy rates are persistently high, at around 18 percent for young men and 27 percent for young women.¹⁴ **Policy interventions to improve the quality of the education system**, to improve access to education for all, including young women, and to discourage early school drop-outs are critical in the stride toward achieving productive and decent employment for young Africans.

Many countries in the region face the challenge of providing their young population with the skills that meet labour market requirements. **Reforms of the VET systems** are often still required to better link formal education and training with the world of work. In many countries traditional **apprenticeship** continues to be largest provider of skills for the mostly informal labour market. However, the system can present several shortcomings. On the one hand, training is often limited to the practical skills of a trade. On the other, it can mask exploitation or child labour, if not properly monitored. Some efforts are under way to modernize apprenticeship systems. **Career guidance and labour market information** also play a crucial role in assisting and orienting young people. More effective and gender-sensitive job-search assistance and placement services for young people are needed in many countries.

¹⁴ Guarcello, et al., op.cit.

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