EMPLOYMENT AND NEW TECHNOLOGIES

Africa has made considerable progress in economic growth. However, in many cases, the pattern of growth has not been able to generate enough decent jobs to absorb the growing labour force.

**Africa’s Technology Landscape**

- Low levels of technology
- Share of manufacturing in the GDP of African countries is still low
- Limited dynamism in upgrading technologies
- Low productivity jobs and wages
- African governments have collectively taken initiatives
- Share of high skill-intensive jobs has been increasing
- Crafts and artisan sector is characterized higher levels of education and more formal technical training
- Digital technologies have rapidly diffused largely through mobile phones

**Challenges**

- Generating rapid technological change and diversification in all sectors remains a challenge
- Emerging production technologies may also have disruptive impact on global value chains
- Insourcing will significantly limit opportunities of developing countries
- New technologies increasingly applied to technical professions will affect transform these jobs
- Low supply of lower and upper secondary educated graduates
- Limited access to finance
- Poor infrastructure, low quality of domestic inputs

**Technological change in Africa**

**Opportunities**

- Digital information and communications technologies (ICTs) allow people to pursue new opportunities to generate income, reduce transaction costs and lower the costs of participating in markets
- Diversify into higher value-added products
- Shift from export to processing of natural resources
- Explore newly emerging manufacturing technologies.
- Cloud sourcing: a new business model
- Develop regional value chains to generate jobs in textile and garments
- Jump into the cutting edge technology and attract FDI

**What can governments to encourage technological change**

- Promote labour market institutions and implement regulatory frameworks
- Understand their country-specific capabilities
- Promote integration of domestic firms to domestic subcontractors
- Promote transfer of technologies from leading firms to domestic subcontractors
- Build domestic capabilities through learning
- Investment in productive capacities
- Investment in infrastructure
- Develop a diverse and sophisticated knowledge base in the labour force
- Promote labour market institutions and implement regulatory frameworks

Almost half of new labour market entrants since 2005 took jobs in the informal economy and one third in agriculture.

Jobs often characterized by low productivity, wages, technological uptake.

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