

# Wanted: jobs for Africa's young people

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African leaders are expressing a renewed sense of urgency about tackling unemployment among young people and are beginning to develop and implement plans to create jobs in the region. "In Africa, the problem of youth unemployment is more complex than in some other parts of the world," says Kenyan President Mwai Kibaki.

"Slow-growing economies are unable to generate enough job opportunities to absorb the large number of young people qualifying from institutions of learning every year," he told delegates to the Youth Employment Summit (YES) in Nairobi, Kenya, in September, organized by a network of non-profit organizations operating in 60 countries around the world.

"The evidence stares us in the face on the streets of our major cities," says Ms. Ngozi Okonjo-Iweala, who until recently was Nigeria's finance minister. "Young men and women [are] roaming the streets with little to do, operating motorcycle taxis... and in some cases engaging in criminal activities."

Reducing the world's rate of youth unemployment by half could add \$2,200 bn – \$3,500 bn to the global economy, estimates the International Labour Organization (ILO). About 20 per cent of that gain would go to sub-Saharan Africa. But in order to benefit, it is critical for African countries to come up with specific plans that target youth, says President Kibaki.

Most employment policies fail to take into account the particular needs of young people or the fact that creating employment for women often poses its own challenges. There is a realization in many countries that young people, both men and women, are at a disadvantage when they look for jobs. Even if they have had some schooling, many lack skills and job experience.

Those who want to set up their own businesses do not have money. In many companies, "last-in and first-out" hiring policies mean that young people are the first to lose their jobs when a company is in distress. Young people (between 15 and 24 years old) made up 63 per cent of the jobless in sub-Saharan Africa in 2003, even though they constituted just 33 per cent of the labour market.

Officially, unemployment in Africa averages 10 per cent, but most people realize that the figures are much higher. A review by *Africa Renewal* found that actual rates of unemployment exceed 40 per cent in some countries.

## Time to act

A complex mix of factors contributes to unemployment in Africa. Stagnant or sluggish economies do not grow fast enough to produce jobs for a growing population. Development experts say that Africa's economy needs to grow by 7 per cent

annually in order to cut in half by 2015 the percentage of people living in poverty, a target agreed upon by the international community. Instead it has grown from an annual rate of less than 3 per cent in 1998 to 5 per cent in 2005.

A number of long-term national policy options to deal with unemployment have been proposed — with limited results. In September 2004, leaders attending an African Union (AU) employment summit adopted a regional strategy, known as the Ouagadougou Plan of Action. The plan calls on countries to diversify their economies into labour-intensive industries, adopt laws that attract investors and create opportunities for women and young workers.

“The Plan of Action is a fine blueprint,” says UN Economic Commission for Africa (ECA) Executive Secretary Abdoulie Jannah. “But we must go beyond the planning stage,” he told the annual conference of African ministers of finance, economic planning and development in Burkina Faso in May 2006. “More than ever, it is up to us to act on our words, embedding the Plan of Action into national development programmes.”

The AU reports that some progress has been made. The 2004 summit led to a number of activities, says AU Commissioner for Economic Affairs Maxwell Mkwezalamba. Malian President Amadou Toumani Touré declared youth employment his first national priority, Ghana set aside \$110 mn in its 2006 budget for a National Youth Employment Programme and, with World Bank assistance, Ethiopia is designing labour market policies to make job creation a core element.

Mr. Mkwezalamba says Chad and Madagascar, among other countries, have prepared national employment plans, while Tanzanian President Jakaya Kikwete has directed the labour ministry to identify sectors that could potentially hasten the creation of more than a million jobs annually.

## **Anti-poverty strategy**

However, most countries have not yet incorporated job creation plans into their national development frameworks and anti-poverty programmes, commonly based on Poverty Reduction Strategy Papers (PRSPs). These are documents developed with assistance from the World Bank and the International Monetary Fund (IMF) to set national priorities, direct spending of debt-relief funds and coordinate donor programmes.

“In view of their centrality in the development of low-income countries, PRSPs could be a major instrument for promoting youth employment,” comments Mr. Makha Dado Sarr, a former deputy executive secretary of ECA. “PRSPs have become major development programmes of the countries concerned, since they presently constitute the basis of the assistance provided by international financial institutions” and by most other multinational and bilateral development partners.

The ECA and AU are leading a drive to encourage African countries to incorporate job plans into their PRSPs. In March 2006, ECA convened a PRSP review conference in Cairo, Egypt, which examined 21 poverty reduction strategies. It found that two-thirds now contain basic job-creation measures, a significant improvement over the first generation of PRSPs, which barely covered employment issues.

Some of these measures include plans to widen access to education, training and credit and to build infrastructure and attract investors. But, judged ECA, none of the 21 PRSPs “substantially and explicitly confronted employment issues and challenges.” Most did not contain measurable goals or specific targets and time periods by which job plans would be carried out.

“In part, the weakness of the employment policy dimension of PRSPs probably reflects the relative absence of labour ministries and their social partners from the consultation processes for the drafting of the first papers,” notes ILO. Larger questions, such as how to translate economic growth into jobs, are yet to be fully integrated into poverty reduction strategies, but “this is likely to change as PRSPs evolve.”

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