SUB-SAHARAN AFRICA'S YOUTH BULGE: A DEMOGRAPHIC DIVIDEND OR DISASTER?

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The Priority

In an apparent response to the youth-led Arab Spring, African heads of state decided to accelerate the 2009–2018 Decade of Youth Action Plan at the African Union 2011 Summit held in Malabo, Equatorial Guinea. Deliberations at the summit noted that high youth unemployment is an impending threat to stability in Africa (AU, 2011). This concern is certainly valid as Africa's youth population (15–24 year olds) has been increasing faster than in any other part of the world (PRB, 2009). According to the World Bank, 200 million people in Africa fall into this category, making up 20 percent of the population, 40 percent of the workforce, and 60 percent of the unemployed on the continent. Youth in Africa hold great potential as drivers for economic growth through participation in labor markets and also as consumers. A young population can also be a resource that leads to innovation and supports governance and political reforms. However, a large youth population that is not gainfully employed can also be a liability, further undermining growth prospects. Africa's youth present a formidable challenge that requires careful interventions. In 2012, Africa must prioritize such measures to harness the potential presented by the youth population and to mitigate their risks.

Why Is It Important?

Since the unfolding of the Arab Spring in 2011, commentators have considered the Sub-Saharan region the next stop for political uprisings: a logical response to the increasing number of educated youth confronted with rising unemployment and the absence of political space. While such uprisings have not spread to Sub-Saharan Africa, the youth in this region are a potential destabilizing factor. A large portion of the youth population remains unemployed and their economic status is being made worse by rising fuel and food costs. Even in the absence of large-scale revolts, youth unemployment represents an enormous cost to society in terms of lost potential growth and increased crime.

A large portion of people age 15–24 in Sub-Saharan Africa are involved in self-employment in the informal and agricultural sectors (World Bank, 2011). For example, Mali has 94 percent, Ethiopia 74 percent, and South Africa 31 percent of the total population employed in the informal sector (Adams, 2008). However, employment for the 15–24 age bracket, compared to the total population, has remained largely stagnant despite this age group increasing in size. This means that more and more youth are not fully absorbed in the economy or making significant increases in income, in self-employment or in agriculture. Compounding this problem is the increased rural-urban migration of youth. The African urban population is expected to rise by 0.8 billion to reach 1.2 billion by 2050 (United Nations, 2010). This translates into an increased population density in African cities. A large population of educated, yet frustrated, youth creates a greater impetus for current measures to promote stability and youth productivity.

What Needs to Happen in 2012?

African Union members agree it is a priority for more youth to enter the labor market to promote stability and reduce crime. They have established several youth-focused goals: to reduce youth unemployment by 2 percent per year from 2009–2018; to elaborate on a Technical and Vocational Education and Training (TVET) framework; and to provide adequate funding to advance the youth agenda. The TVET framework will be important for helping African policymakers determine what skills their young people need to gain employment, become better entrepreneurs, or more successful farmers. However, these broad policy decisions will remain as idle chatter unless they are turned into action at the national level in 2012 and beyond.

African nations must determine at the country level the sectors with growth potential and develop youth skills that will serve labor demand. The Kenyan Government Vision 2030 plan has identified sectors to focus on as a medium term economic growth strategy. For example, information technology (IT) enabled services are expected to provide 20,000 jobs in five years. In order fill these positions, Kenya has designed a city at Konza to serve as an incubator for investment in IT enabled services. According to the Kenyan Vision 2030 website, the incubator site has been acquired and the feasibility study-master plan is complete. The incubator features a parallel plan to provide centers of specialization for education in IT enabled services. While the success of Kenya's ambitious plan is yet to be realized, the concept is correct; policymakers need to determine sectors with potential for job growth and simultaneously develop the needed skills in the youth population.

In addition to training, the governments should play a role in creating an enabling environment for youth involvement in the labor market. African policymakers should focus more critically on creating favorable conditions in non-wage sectors by developing value chains in agriculture and expanding opportunities for self-employment. Very little attention is paid to the agro-allied sub-sector—those activities that transform farm outputs into final products. The agro-allied sector has great potential for youth employment because formal skill requirements are typically low at the beginning, which allows youth to learn by gradually moving from simple tasks to more sophisticated production. In regards to improving conditions for entrepreneurs, policymakers need to provide incentives for financial institutions to innovatively find ways to deliver both financial and social capital to self-employed youth. The main setback for banks that would lend to youth has been lack of information. African governments can begin tackling this problem in 2012 by expediting national identification and registration systems that can support the development of consumer and credit information systems. The information made available to lenders would facilitate the growth of credit and entrepreneurship among young people.

Broadly, African nations should determine if any institutional barriers are preventing youth from participating in the economy. For example, youth in Ethiopia face restricted access to land due to customary land rights, which makes it difficult for them to succeed in the agriculture sector. Sub-Saharan countries also vary widely on land and property ownership for women; laws often exclude females as major economic players and restrict their access to collateral and farm land (OECD, 2011). Although institutions are slow to change, governments can play a vital role in opening political space.

As global attention remains on youth protests in Arab countries and elsewhere, and the global economic crisis worsens unemployment conditions for youth, 2012 is bound to feature the reactions of the young and jobless. The African Union is correct in accelerating their goal to reduce youth unemployment to avoid the negative consequences of the youth bulge. However, AU member countries should also be held accountable at the national level to better leverage the dividends a large youth labor force can provide. While the programs highlighted in the 2011 African Union Summit are not new programs for Africa, what is new for 2012 is the challenge for AU members to translate delivered skills into meaningful opportunities and employment for Africa's youth.

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