AFRICA DEVELOPMENT INDICATORS 2008/09

YOUTH AND EMPLOYMENT IN AFRICA

The Potential, the Problem, the Promise

THE WORLD BANK

Manufactured in the United States of America
First printing December 2008

To order *Africa Development Indicators 2008/09*, *The Little Data Book on Africa 2008/09*, the *Africa Development Indicators 2008/09-Multiple User CD-ROM*, please visit *www.worldbank.org/publications*. To subscribe to Africa Development Indicators Online please visit: *http://publications.worldbank.org/ADI*

For more information about *Africa Development Indicators* and its companion products, please visit www.worldbank.org/africa. You can email us at ADI@worldbank.org.

Cover design by Word Express, Inc.

Dohatec New Media prepared the navigation structure and interface design of the Africa Development Indicators 2008/09 CD-ROM.

Photo credits: front cover Jonathan Ernst and back cover Arne Hoel/World Bank.
The map of Africa is provided by The Map Design Unit/World Bank.

ISBN: 978-0-8213-7787-1
e-ISBN: 978-0-8213-7795-6
DOI: 10.1596/978-0-8213-7787-1
SKU: 17787

Contents

Foreword

For centuries, data have been used as an instrument for decision-making. To choose between two public policy options—whether or not to build a bridge, for example—analysts use data to evaluate the costs and benefits of each option and inform the decision-maker accordingly. More recently, data have taken on a new role: as an instrument for holding policymakers accountable. When data are made publicly available, the public can use data to question policymakers' decisions, and hold them accountable, if not immediately then periodically through the ballot box. The publication of citizen report cards in Bangalore, India; the public expenditure tracking surveys in Uganda; and Transparency International's worldwide corruption indices are but three examples where data have empowered citizens to hold public officers to account.

The Africa Development Indicators (ADI) seeks to fulfill both roles. Originally intended as a tool for aiding decision-making by presenting cross-country comparisons of various data (to discern patterns in African development, as well as exceptions to those patterns), ADI has evolved into a tool for transparency as well. Journalists, researchers, students, Civil Society Organizations and other citizens use the comparative data in ADI to ask questions such as: why their country is not performing as well in some dimensions as other, comparable countries; or alternatively, why their country is in fact doing so well but getting very little credit for it.

To effectively serve as a tool for transparency, any data set must meet certain criteria. First, it must be accurate. All data in the ADI are rigorously checked and cross-checked; only those data that pass various statistical tests make it in the document. Second, the data must be accessible to the public. This is why ADI is disseminated worldwide; the new, improved on-line version permits easy access and manipulation of the data to suit individual needs and tastes. Third, the data must be salient—it must be about issues that people care about. This year's version includes new datasets on climate change, conflict, and governance, among others.

Following a two-year-old tradition, the ADI also has an essay: "Youth and Employment in Africa—The Potential, the Problem, the Promise." The choice of this topic is obvious. Finding productive employment for the 200 million Africans between the ages of 15 and 24 is surely one of the continent's greatest challenges. What the essay shows, however, is that the median young person in Africa is a poor, out-of-school female living in a rural area. This finding—based on a careful examination of the data—has important implications for policy design, as well as for the politics of youth-sensitive policies. Once again, data can play the dual role of informing policy choices and empowering citizens to hold politicians accountable.

Obiageli K. Ezekwesili
Vice President, Africa Region

Acknowledgments

Africa Development Indicators (ADI) is a product of the Africa Region of the World Bank.

Jorge Saba Arbache was the manager of this book and its companions—Africa Development Indicators Online 2008/09, Africa Development Indicators 2008/09—Multiple User CD-ROM, and Little Data Book on Africa 2008/09. Rose Mungai led the work on data gathering, consistency checks and compilation. The core team included Mpho Chinyolo, Francoise Genouille, Jane K. Njuguna, and Christophe Rockmore. The overall work was carried out under the guidance and supervision of Shantayanan Devarajan, Chief Economist of the Africa Region.

Pablo Suarez Robles provided research assistance, and Harold Alderman, Mayra Buvinic, Louise Fox, Caterina R. Laderchi, and Paul Moreno-Lopez provided useful comments on an earlier draft of the essay.

Azita Amjadi, Abdolreza Farivari, Richard Fix, Shelley Lai Fu, Shahin Outadi, William Prince, Atsushi Shimo and Malarvizhi Veerappan collaborated in the data production. Maja Bresslauer, Mahyar Eshragh-Tabary, Victor Gabor and Soong Sup Lee collaborated in the update of the Live Data Base. Mehdi Akhlaghi collaborated in the production of the Little Data Book on Africa 2008/09.

The boxes in the book and in the technical notes benefited from contributions from Aziz Bouzaher (climate change), Sebastien Dessus (PPP), John May (demographic transition), Gary Milante (conflicts), Deepak Mishra and Mesfin Girma Bezawagaw (inflation), Pierella Paci and Catalina Gutierrez (unemployment), David Wilson and Elizabeth Lule (HIV prevalence and incidence), Quentin Wodon (food prices, role of faith-inspired organizations, and poverty and migration), and Ali Zafar (franc zone).

Aziz Bouzaher provided guidance for the table on climate change, and Gary Milante for the tables on conflicts and polity.

Ann Karasanyi and Ken Omondi provided administrative and logistical support. Delfin Go and Yutaka Yoshino provided general comments and suggestions.

Several institutions provided data to ADI. Their contribution is very much appreciated.

The Word Express, Inc. provided design direction, editing, and layout. Dohatec New Media prepared the navigation structure and interface design of the Africa Development Indicators 2008/09 CD-ROM.

Staff from External Affairs, including Herbert Boh, Richard Crabbe, Lillian Foo, Gozde Isik, Valentina Kalk, and Malika Khek oversaw publication and dissemination of the book and its companions.

Youth and Employment in Africa – The Potential, the Problem, the Promise

Introduction

Today's world population counts an estimated 1.2 billion people at the ages of 15 to 24 years, an increase of 17% compared to 1995, or 18% of the world population. About 87% of these young people live in countries with developing economies. In Africa, 200 million people are in this age range, comprising more than 20% of the population (United Nations 2007). In 2005, 62% of Africa's overall population fell below the age of 25. The still very high fertility rate along with a demographic transition that is slowly taking place in the region are likely to increase the pressure African countries face for job creation over the coming decades.[1]

Worldwide, and in Africa as well, the ratio of the youth-to-adult unemployment rate equals three (ILO 2006), which clearly points out the substantial difficulties of youth participation in the labor market. Yet, the youth employment elasticity to GDP growth is low and only a fifth of that observed for all workers (Kapsos 2005). As a consequence, youth made up 43.7% of the total unemployed people in the world despite accounting for only 25% of the working population. More than one third of the youth in the world is either seeking but unable to find work, has given up on the job search entirely, or is working but still living below the $2 a day poverty line. In Sub-Saharan Africa, 3 in 5 of the total unemployed are youth (ILO 2006) and on average 72% of the youth population live with less than $2 a day (Table 1).

Table 1 **Incidence of poverty among young people (in %) in Sub-Saharan Africa**

Country	Less than US$ 2 per day
Burundi, 1998	85.7
Côte d'Ivoire, 1998	46.5
Cameroon, 2001	49.1
Ethiopia, 2000	70.7
Ghana, 1998	66.5
Kenya, 1997	54.4
Madagascar, 2001	81.7
Mozambique, 1996	75.4
Malawi, 1997	66.3
Nigeria, 1996	92.9
Sierra Leone, 2003	68.0
Uganda, 1999	93.8
Zambia, 1998	86.3
SSA-13 (mean)	72.1
SSA-13 (median)	70.7

Source: World Bank Survey-Based Harmonized Indicators Program (SHIP).
Note: A person is considered poor if per capita total annual household expenditure divided by 365 falls below the poverty line. The "$2-a-day" poverty line—$2.17 per day in purchasing power parity (PPP) at 1993 prices—is defined as 2.17 times the product of the 1993 consumption PPP exchange rate and the ratio of the average consumer price index for the year of the survey to the average consumer price index for 1993. CPIs and PPP exchange rates were respectively taken from World Development Indicators 2007 and PovCalNet (World Bank).

Young people in Africa are not a homogeneous group and their employment prospects vary according to region, gender, age, educational level, ethnicity, and health status, thus requiring different sets of policy interventions. However, the typical African youth, as given by medians, is easily identifiable: she is an 18.5-year-old female, living in a rural area, and literate but not attending school (Table 2).[2]

As a way to escape poverty, many youth look for better opportunities by migrating. Indeed, migration to urban areas is unavoidable and even desirable as a way to improve allocation of human resources, especially in land-scarce countries. While youth are more likely than older people to move from rural to urban areas or to move across urban areas,

[1] The definition of youth is age 15 to 24 years, and adults 25–64.

[2] Higher death rate of males due to homicides, war-related conflicts, diseases and other causes help explain this pattern.

Table 2 **Typical African youth – median**

Country	Location		Sex		Age	Literate		Attending school	
SHIP data									
Burundi, 1998	Rural	93.9%	Female	54.9%	18	Yes	71.4%	No	25.6%
Côte d'Ivoire, 1998	Urban	46.8%	Female	51.9%	19	Yes	60.7%	No	27.6%
Cameroon, 2001	Rural	56.4%	Female	52.5%	19	Yes	82.4%	No	46.2%
Ghana, 1998	Rural	57.8%	Male	49.7%	18	Yes	65.9%	No	41.3%
Guinea, 1994	Rural	57.2%	Female	50.6%	19	No	30.6%	No	18.4%
Kenya, 1997	Rural	81.0%	Female	51.9%	19	Yes	93.5%	No	42.0%
Mozambique, 1996	Rural	76.9%	Female	52.3%	19	Yes	51.1%	No	19.2%
Mauritania, 2000	Rural	55.5%	Female	52.9%	18	Yes	70.2%	No	27.6%
Malawi, 1997	Rural	87.4%	Female	52.7%	19	Yes	62.9%	No	40.1%
Nigeria, 1996	Rural	56.4%	Female	53.8%	18	Yes	74.3%	No	46.7%
Sierra Leone, 2003	Rural	51.9%	Female	52.4%	18	No	43.2%	No	42.8%
São Tomé and Principe, 2000	Urban	40.9%	Male	49.9%	19	Yes	94.1%	No	25.0%
Uganda, 1999	Rural	82.8%	Female	51.3%	18	Yes	79.0%	No	43.7%
Zambia, 1998	Rural	59.8%	Female	52.8%	19	—	—	No	30.2%
SSA-14 (mean)	—	64.6%	—	52.1%		—	67.6%	—	34.0%
SSA-14 (median)	—	57.5%	—	52.4%		—	70.2%	—	35.1%
LFS data									
Ethiopia, 2005	Rural	79.6%	Female	53.2%	19	No	49.9%	—	—
Madagascar, 2005	Rural	76.0%	Female	51.7%	19	Yes	75.2%	No	23.0%
Tanzania, 2005	Rural	70.5%	Female	53.1%	19	Yes	83.0%	No	28.7%

Source: World Bank Survey-Based Harmonized Indicators Program (SHIP), Ethiopia LFS 2005, Tanzania ILFS 2005/06 and Madagascar EPM 2005.
Note: — Not available.

this increased youth migration has a wide impact. It increases the strain for jobs without necessarily improving the job conditions of those who are left in rural areas; impacts provision of public goods, education, utilities, housing, and infrastructure; and affects demographic and skills composition in both urban and rural areas. Given that about 70% of the African youth population is still in rural areas, and that urban areas have been very slow to create job opportunities for most new job seekers, there is a need for an integrated, coherent approach in which policies appropriate for the youth in urban areas are closely connected with policies appropriate for the youth in rural areas. This type of approach is essential if governments want to smooth the deleterious impacts of rapid migration while preparing the rural youth for a more rewarding mobility.

While in some countries demographic change is the main factor behind high youth unemployment and underemployment rates, much of the youth employment challenges can also be related to labor market dynamics and labor market opportunities. How easily and how effectively young people find jobs is also dependent on how well the labor market is prepared to receive them, and on how well they are prepared for the labor market.

A large group of young people enter the labor market very early, which affects their progress in the labor market. In the short term, poor families gain from child labor; thus, there are short-term welfare losses for rural families from sanctions on child labor.[3] For long-term development, however, child labor elicits a cost in terms of foregone education and persistence of long-term poverty.

Post-conflict settings pose specific challenges for the youth (e.g., recently disarmed idle men and displaced young men) as these settings have prominently young populations, many of whom have been deprived of education, have grown up in violent societ-

[3] Participation rate of children 5–14 years old is about 30% in Sub-Saharan Africa (World Bank 2008).

ies, and often have been combatants themselves. Employment and the creation of jobs for young people should therefore form a key component of any peace building processes.

The energy, skills and aspirations of young people are invaluable assets that no country can afford to squander, and helping them to realize their full potential by gaining access to employment is a precondition for poverty eradication, sustainable development, and lasting peace. Given the immense challenges youth face to get a job, youth employment has obtained growing prominence on development agendas after having been largely neglected in national development strategies in the past.

The youth employment challenge confronts all countries in Africa, regardless of their stage of socio-economic development, but the socio-economic context has an important contribution on the nature and extent of the problem. As they consider measures to help young people make the transition into the labor market and obtain work, policymakers are hampered by a lack of information on what their options are, what works in different situations, and what has been tried and failed.

This essay examines these issues. The first part presents stylized facts of youth and labor markets in Africa. The second part discusses past youth employment interventions in the region. It argues for the need of an integrated approach should governments want to tackle youth employment issues in a sustainable manner. Indeed, in African countries, with large informal sectors and dominance of rural population, solely reforming labor market institutions and implementing active labor market policies are likely to have limited impact. It argues that the most needed and well-rounded approaches are: expanding job and education alternatives in the rural areas—where most youth live; promoting and encouraging mobility; creating a conducive business environment; encouraging the private sector; improving the access and quality of skills formation; taking care of demographic issues that more directly affects the youth; and reducing child labor.

Stylized facts about youth and labor markets in Africa

In 2005, the labor force participation rate of young males was 73.7% (ILO 2006), one of the highest in the world (ILO 2006, United Nations 2007).

Youth make up 36.9% of the working-age population, but 59.5% of the total unemployed, which is much higher than the world's average for 2005 (43.7%), reflecting serious labor demand deficiencies in the region (ILO 2006). The share of unemployed youth among the total unemployed can be as high as 83% in Uganda, 68% in Zimbabwe, and 56% in Burkina.[4]

Unemployment among youth is often higher than among adults (Table 3).

Youth unemployment is more prevalent in urban areas (Table 4) and is higher among those with higher education attainment and those in wealthy households. On average, unemployment among those with secondary education or above is three times higher than among those with no education attainment, and unemployment is twice as high among youth from households in the fifth (or highest) income quintile as compared to those in the first income quintile (Figure 1).[5]

Youth are more likely than adults to be in the informal sector, and less likely to be wage employed or self-employed. In 2005 in Ethio-

Table 3 Distribution of youth and adults by job status (in %)

	Employed		Unemployed		Out of the labor force	
	Youth	Adults	Youth	Adults	Youth	Adults
SHIP data						
Burundi, 1998	70.4	95.8	0.3	0.4	29.3	3.8
Côte d'Ivoire, 1998	51.4	81.8	3.0	2.9	45.6	15.3
Cameroon, 2001	42.7	80.9	7.2	4.7	50.1	14.4
Ghana, 1998	17.7	78.4	31.3	8.7	51.0	12.9
Guinea, 1994	69.9	87.8	8.3	5.3	21.8	6.9
Kenya, 1997	20.8	58.2	3.7	1.1	75.5	40.7
Mozambique, 1996	22.0	59.5	2.2	1.4	75.8	39.1
Mauritania, 2000	28.4	50.4	3.1	3.4	68.6	46.2
Malawi, 1997	20.3	58.8	1.3	1.5	78.4	39.7
Nigeria, 1996	23.1	76.7	5.5	1.2	71.4	22.1
Sierra Leone, 2003	40.4	85.4	52.5	10.2	7.1	4.4
São Tomé and Principe, 2000	32.8	68.1	4.1	0.8	63.1	31.1
Uganda, 1999	17.9	66.0	0.7	0.6	81.4	33.4
Zambia, 1998	38.7	77.7	6.7	4.2	54.6	18.1
SSA-14 (mean)	35.5	73.3	9.3	3.3	55.3	23.4
SSA-14 (median)	30.6	77.2	3.9	2.2	58.9	20.1
LFS data						
Ethiopia, 2005	72.8	86.5	2.9	1.9	24.3	11.6
Madagascar, 2005	71.7	93.3	1.7	2.6	26.6	4.1
Tanzania, 2005	74.4	93.5	4.9	1.9	20.7	4.6

Source: World Bank Survey-Based Harmonized Indicators Program (SHIP)), Ethiopia LFS 2005, Madagascar EPM 2005 and Tanzania ILFS 2005/06.

[4] Unemployment as defined by ILO is increasingly seen as inadequate to characterize low income countries' labor markets (Cling et al. 2006; Fares et al. 2006; World Bank 2006, inter alia). Youth unemployment does not provide a full and adequate description of the difficulties youth face in the labor market. In fact, in countries with widespread poverty, looking at the unemployment rate may be misleading because most youth cannot afford to be unemployed. The difficulties in the labor market may be better reflected by measures of quality of employment or measures of underemployment. As an illustration, youth unemployment was only 0.8% in Malawi, 2.1% in Burkina, and 0.7% in Rwanda (United Nations 2007). Therefore, unemployment should not be the main component of a youth employment strategy or the main results performance indicator of labor markets in Africa.

[5] Distinguishing between who is rural and urban is increasingly difficult, especially with the expansion of semi-urban areas where large proportions of populations rely on agricultural activities to meet their livelihood needs.

Table 4 Distribution of urban and rural youth by job status (in %)

	Employed		Unemployed		Out of the labor force	
	Urban	Rural	Urban	Rural	Urban	Rural
SHIP data						
Burundi, 1998	14.9	74.0	5.2	0.0	79.9	26.0
Côte d'Ivoire, 1998	31.5	73.6	5.1	0.6	63.4	25.9
Cameroon, 2001	25.9	55.6	12.5	3.1	61.6	41.3
Ghana, 1998	16.2	18.7	36.7	27.4	47.1	53.9
Guinea, 1994	40.0	92.2	16.2	2.4	43.8	5.4
Kenya, 1997	36.2	17.2	8.4	2.6	55.4	80.2
Mozambique, 1996	20.9	22.4	3.5	1.7	75.6	75.9
Mauritania, 2000	17.6	37.0	5.4	1.2	77.0	61.8
Malawi, 1997	14.5	21.2	2.6	1.1	82.9	77.7
Nigeria, 1996	22.9	23.3	6.4	4.8	70.7	71.9
Sierra Leone, 2003	22.9	56.6	67.9	38.2	9.2	5.2
São Tomé and Principe, 2000	30.5	36.3	3.2	5.4	66.4	58.3
Uganda, 1999	25.6	16.3	2.3	0.4	72.1	83.3
Zambia, 1998	16.6	53.6	11.9	3.2	71.5	43.2
SSA-14 (mean)	24.0	42.7	13.4	6.6	62.6	50.7
SSA-14 (median)	22.9	36.7	5.9	2.5	68.6	56.1
LFS data						
Ethiopia, 2005	40.7	81.1	10.0	1.0	49.3	17.9
Madagascar, 2005	50.5	78.4	4.6	0.7	44.9	20.9
Tanzania, 2005	56.0	82.1	13.4	1.3	30.6	16.6

Source: World Bank Survey-Based Harmonized Indicators Program (SHIP), Ethiopia LFS 2005, Madagascar EPM 2005 and Tanzania ILFS 2005/06.

pia, respectively 81.4% and 12.5% of youth were in the informal and self-employment sectors, against 43% and 49.6% of adults.

Young people are more likely to work longer hours under intermittent and insecure work arrangements, characterized by low productivity and meager earnings. Underemployment is more prevalent among youth than adults, and is more prevalent in rural rather than urban areas (Figures 2 and 3).[6]

Youth are employed primarily in agriculture (Figure 4), in which they account for 65% of total employment (ILO 2007).

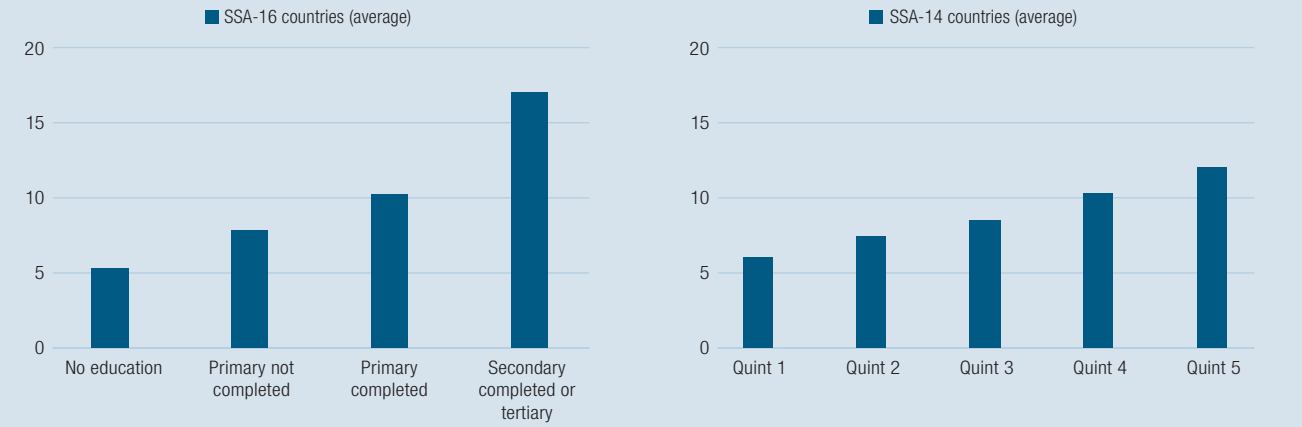
In rural areas the youth work longer hours and spend a lot of their time in household work. In rural Ethiopia they work 43 hours a week in contrast to the 31 hours worked in urban areas. Of those 43 hours worked, the rural youth spends 31 hours in household work (fetching water, collecting fire wood, and other domestic activities), in contrast to the 22 spent on these tasks in urban areas.

Rural youth attached to agriculture are disadvantaged in terms of employment status as compared to those engaged in non-farm activities (Table 5).

Sub-Saharan Africa has the lowest primary education completion rate of any region (60% compared to 91% in MENA, 98%

[6] Underemployment rate refers to total underemployed expressed as a proportion of total employed. A person is classified as underemployed if the total number of hours worked during the week is less than 30. As regards Ethiopia and Tanzania, a person is classified as underemployed if in addition he or she is available for more work. This information is not available for the other countries.

Figure 1 Youth unemployment ratios by level of education and weighted quintiles of the per capita total annual household expenditure



Source: World Bank Survey-Based Harmonized Indicators Program (SHIP).

in EAP, 99% in LAC, and 86% in all regions in 2005). More than a third of the youth population in the region was still illiterate in 2002 (ILO 2006).

Urban youth enjoy greater educational opportunities, stay longer in school and join the labor force later than rural youth. In Burundi 57% of urban youth are in school in contrast to 23% in rural areas; in Cameroon 48% and 24%; in Mozambique 30% and 15% (Garcia and Fares 2008).

Young women are more likely to be underemployed, and more likely to be out of the labor force (Tables 6 and 7).

Women work more hours than males and are more likely to engage in non market activities. In Ethiopia they work 48 hours a week versus 32 for males. Of those hours they spend 36 in household activities in contrast to the 15 males work in these tasks (Ethiopia LFS 2005).

Young women have lower levels of school attainment and school enrollment. In Sierra Leone (2003) 53% of young men and 33% of young women were attending school while in Uganda (1999), the figures were 53% and 35%, respectively (SHIP data). In 2005, the male and female net school enrollment ratios in Africa were 71% and 65% in primary education and 28% and 23% in secondary education, respectively. The male gross school enrollment ratio in tertiary education was 6%, while that of women was 4%.

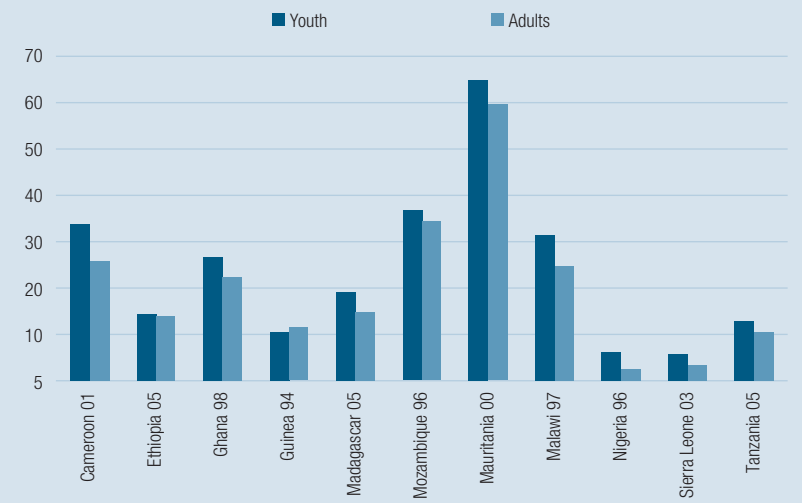
Africa's youth follow two paths in their transitions to working life: many go to work directly, with little benefit of formal schooling, while others join the work force after a time in the formal school system. The estimated school life expectancy ranges from 2.9 years for Niger (2002) and 4.4 for DRC (1999), to 11.7 for Mauritius (2002) and 12.4 for South Africa (2001).[7] With a few exceptions, the estimated school life expectancy is higher for males.

Those who enter the labor market directly are unprepared, making them more vulnerable to demographic and demand changes. Thus, they are more likely to be stuck in low productivity jobs.

Children and young people start to work early—a quarter of children ages 5–14 are working, and among children ages 10–14, 31% are estimated to be working. In Burundi this number reaches 50% (Garcia and Fares, 2008).

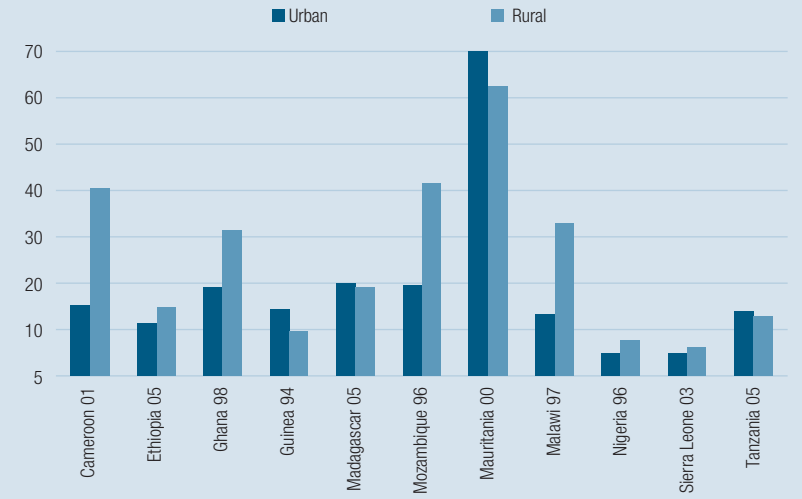
Many youth move from rural to urban areas in search of greater opportunities.

Figure 2 Underemployment rates among youth and adults



Source: World Bank Survey-based Harmonized Indicators Program (SHIP), Ethiopia LFS 2005, Madagascar EPM 2005 and Tanzania ILFS 2005/06.

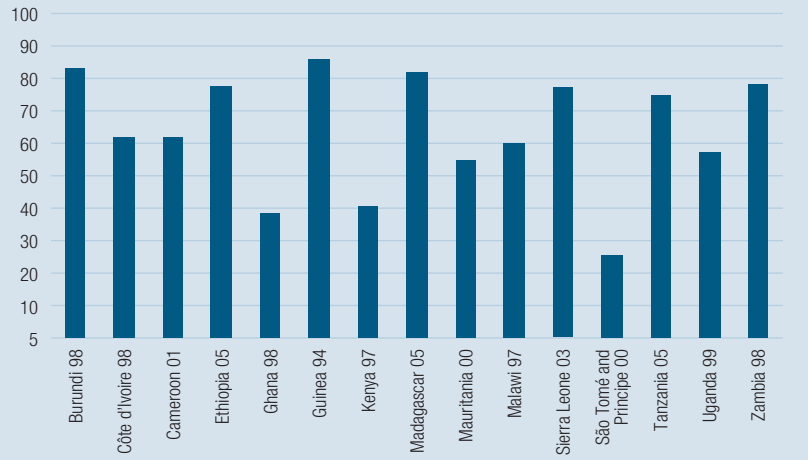
Figure 3 Underemployment rates among urban and rural youth



Source: World Bank Survey-based Harmonized Indicators Program (SHIP), Ethiopia LFS 2005, Madagascar EPM 2005 and Tanzania ILFS 2005/06.

[7] Definition of School Life Expectancy from UNESCO: "Number of years a child is expected to remain at school, or university, including years spent on repetition. It is the sum of the age-specific enrolment ratios for primary, secondary, post-secondary non-tertiary and tertiary education." (Source: UNESCO Institute for Statistics Database).

Figure 4 **Share of young workers in agriculture (in %)**



Source: World Bank Survey-based Harmonized Indicators Program (SHIP), Ethiopia LFS 2005, Madagascar EPM 2005 and Tanzania ILFS 2005/06.

Table 5 **Distribution of rural young workers in the agricultural and non-agricultural sectors by employment status (in %)**

	Wage employment		Self-employment		Unpaid family workers	
	Agric.	Non-agric.	Agric.	Non-agric.	Agric.	Non-agric.
Ethiopia, 2005	2.2	20.2	14.8	45.1	83.0	34.7
Madagascar, 2005	3.6	37.7	10.0	22.7	86.4	39.6
Tanzania, 2005	1.5	19.6	82.5	42.1	16.0	38.3

Source: Ethiopia LFS 2005, Madagascar EPM 2005 and Tanzania ILFS 2005/06.

Table 6 **Underemployment rates among young men and women (in %)**

	Men	Women
SHIP data		
Cameroon, 2001	26.3	40.7
Ghana, 1998	22.2	30.0
Guinea, 1994	4.4	16.3
Mozambique, 1996	33.6	42.0
Mauritania, 2000	63.1	66.9
Malawi, 1997	26.5	36.7
Nigeria, 1996	6.1	6.7
Sierra Leone, 2003	2.9	7.4
SSA-8 (mean)	23.1	30.8
SSA-8 (median)	24.3	33.4
LFS data		
Ethiopia, 2005	12.0	16.4
Madagascar, 2005	15.1	23.2
Tanzania, 2005	13.5	12.4

Source: World Bank Survey-Based Harmonized Indicators Program (SHIP), Ethiopia LFS 2005, Madagascar EPM 2005 and Tanzania ILFS 2005/06.
Source: World Bank Survey-Based Harmonized Indicators Program (SHIP).

In Ethiopia, 53% of the rural-to-urban migrants are youth, and the main reasons that push them to migrate are access to education (57%) and search for work (22%) (Ethiopia LFS 2005).

Young male migrants are more likely to be unemployed and out of the labor force than their non-migrant counterparts (Garcia and Fares 2008).

Urban residents are less likely to be employed than recent rural-to-urban youth migrants. However, recent migrants who are employed are more likely to work in insecure jobs. In Ethiopia they are three times more likely to be engaged in informal activities.

Recent youth rural migrants are more educated than rural residents, but less educated than native urban residents, thus suggesting self-selection. In Ethiopia, 74.9% of recent young migrants were illiterate or had only primary education, compared to 57% of native youth urban residents, and 97.7% of rural youth residents (Ethiopia LFS 2005).

In 1999–2003 the youth employment elasticity of GDP growth in Sub-Saharan Africa was 0.62, down from 0.90 in 1995–1999 (Kapsos 2005).

Before the age of 24, most female youth have already been married, but in many countries they get married even earlier: In Mozambique, 47% of females were already married before the age of 19; in Chad 49%; in Guinea, 46%; in Mali, 50%; in Sierra Leone, 46%; in Niger, 62% (United Nations 2007). In rural areas, the median age of first marriage for women is as low as 15.2 in Niger (1998), 15.8 in Chad (1997), 16.1 in Guinea (1999), 16.3 in Mali (2001), and 16.7 in Ethiopia (2000) and Senegal (1997).[8]

Motherhood starts very early. In 2003 in Mozambique, 58% of females in the range of 15–24 had already given birth at least once, and 18% of males at this age were parents. These figures are respectively 57% and 17% in Malawi (2004), 57% and 7% in Niger (2006), 53% and 10% in Chad (2004), 47% and 15% in Uganda (2006), and 47% and 17% in Gabon

[8] For the cohort of women age 25–29 at the time of the survey. (Source: ORC Macro, 2004. Measure DHS STATcompiler).

(2000). The median age at first birth is 17.9 in Niger (1998), 18.2 in Chad (1997), 18.6 in Guinea (1999), and 18.7 in Gabon (2000), Mali (2001) and Mozambique (1997).[9]

Young women who have given birth have substantially lower education attainment than those who have not given birth (Table 9).

These stylized facts suggest that the youth at large comprise a vulnerable group facing challenges in labor markets, but also indicate that youth attached to agriculture and female youth face particularly stronger challenges.

Table 7 Distribution of young men and women by job status (in %)

	Employed		Unemployed		Out of the labor force	
	Men	Women	Men	Women	Men	Women
SHIP data						
Burundi, 1998	67.4	72.8	0.4	0.3	32.2	26.9
Côte d'Ivoire, 1998	53.4	49.4	3.0	3.0	43.6	47.6
Cameroon, 2001	43.6	41.8	8.5	6.0	47.9	52.2
Ghana, 1998	15.7	19.7	29.0	33.7	55.3	46.6
Guinea, 1994	66.3	73.4	6.6	9.9	27.1	16.7
Kenya, 1997	23.5	18.3	4.6	2.8	71.9	78.9
Mozambique, 1996	28.6	16.0	3.7	0.7	67.7	83.2
Mauritania, 2000	36.4	21.2	4.1	2.2	59.5	76.6
Malawi, 1997	21.9	18.9	2.0	0.8	76.1	80.3
Nigeria, 1996	27.1	19.6	7.9	3.4	65.0	77.0
Sierra Leone, 2003	31.5	48.5	60.6	45.2	7.9	6.3
São Tomé and Principe, 2000	47.4	18.2	5.3	2.8	47.3	78.9
Uganda, 1999	22.1	13.9	1.0	0.5	76.9	85.6
Zambia, 1998	38.1	39.3	8.1	5.5	53.8	55.3
SSA-14 (mean)	37.4	33.6	10.3	8.3	52.3	58.0
SSA-14 (median)	34.0	20.5	5.0	2.9	54.6	66.0
LFS data						
Ethiopia, 2005	78.7	67.7	2.2	3.4	19.1	28.9
Madagascar, 2005	72.3	71.1	1.3	2.0	26.4	26.9
Tanzania, 2005	74.9	74.0	4.1	5.5	21.0	20.5

Source: World Bank Survey-Based Harmonized Indicators Program (SHIP), Ethiopia LFS 2005, Madagascar EPM 2005 and Tanzania ILFS 2005/06.

Table 8 School enrollment ratios, 2005

School enrollment, primary	
Male (% gross)	99
Female (% gross)	87
Male (% net)	71
Female (% net)	65
School enrollment, secondary	
Male (% gross)	35
Female (% gross)	28
Male (% net)	28
Female (% net)	23
School enrollment, tertiary	
Male (% gross)	6
Female (% gross)	4

Source: WDI 2007.
Note: Gross enrollment ratio is the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the level of education shown. Net enrollment ratio is the ratio of children of official school age based on the International Standard Classification of education 1997 who are enrolled in school to the population of the corresponding official school age.

[9] For the cohort of women age 25–29 at the time of the survey. (Source: ORC Macro, 2004. Measure DHS STATcompiler).

Table 9 **Distribution of young women who have given birth or not by highest education level attended (in %)**

	No education		Primary		Secondary		Higher	
	Have given birth	Have not given birth	Have given birth	Have not given birth	Have given birth	Have not given birth	Have given birth	Have not given birth
Benin, 2006	69.2	32.7	20.6	26.0	9.9	39.3	0.3	2.0
Burkina Faso, 2003	82.4	60.9	12.7	19.0	4.8	19.3	0.0	0.8
Cameroon, 2004	24.5	9.4	43.0	32.4	32.2	55.5	0.3	2.7
Chad, 2004	71.8	58.9	21.4	26.3	6.6	14.4	0.2	0.4
Ethiopia, 2005	73.6	36.1	20.4	41.5	5.6	20.7	0.3	1.7
Gabon, 2000	5.6	3.4	37.4	29.7	56.0	64.4	1.0	2.5
Ghana, 2003	26.7	10.9	27.6	19.4	45.3	66.3	0.4	3.4
Guinea, 2005	79.4	47.4	12.3	23.9	8.0	28.3	0.2	0.4
Kenya, 2003	10.3	4.7	70.2	60.8	18.3	29.5	1.2	5.0
Lesotho, 2004	1.4	0.3	62.2	53.1	36.1	45.9	0.3	0.7
Madagascar, 2004	28.1	13.9	54.5	42.8	17.0	40.7	0.3	2.7
Malawi, 2004	12.5	4.0	70.8	66.2	16.5	28.7	0.1	1.1
Mali, 2006	79.9	55.0	12.3	17.1	7.6	26.8	0.2	1.1
Mozambique, 2003	38.1	19.7	56.4	60.3	5.4	19.7	0.1	0.4
Namibia, 2000	9.2	2.9	28.4	31.2	61.7	65.3	0.7	0.6
Niger, 2006	86.9	65.3	10.1	17.1	3.0	17.2	0.0	0.5
Nigeria, 2003	53.7	17.5	21.0	18.6	24.0	57.9	1.3	6.0
Rwanda, 2005	24.4	9.2	69.9	80.9	5.4	9.5	0.3	0.4
Senegal, 2005	70.4	42.4	24.1	33.3	5.3	23.4	0.2	0.9
Swaziland, 2006	6.4	1.7	35.1	32.2	56.6	63.3	1.9	2.8
Tanzania, 2004	27.5	16.7	68.2	66.8	3.8	15.3	0.5	1.2
Uganda, 2006	12.1	2.9	68.0	58.9	18.0	33.2	1.9	5.0
Zambia, 2002	12.8	6.4	61.1	50.4	25.0	41.2	1.1	2.0
23-SSA (average)	**39.4**	**22.7**	**39.5**	**39.5**	**20.5**	**35.9**	**0.6**	**1.9**
23-SSA (median)	**27.5**	**13.9**	**35.1**	**32.4**	**16.5**	**29.5**	**0.3**	**1.2**

Source: Demographic and Health Surveys.
Note: Young women who have already given birth at least once are those young women for whom the total number of children ever born (including children who have died) is at least equal to one.

Policy response requires an integrated, multi-sector approach and close monitoring

Given the challenges faced by the youth in labor markets in Africa, as suggested by the stylized facts, assuring that young people can achieve success in pursuing employment may require long term, concerted actions, that span a wide range of policies and programs. Indeed, success will not be achieved and sustained through fragmented and isolated interventions. Policy response will require working with households and communities across multiple sectors in both rural and urban areas, and creating policies that will evolve over extended and varied time periods. An over-arching, but most essential guideline for addressing the youth employment challenge is the need for an integrated strategy for rural development, growth and job creation. This type of integrated policy would cover both the demand and the supply sides of the labor market and take into account the youth mobility from rural to urban areas. It should, then, be combined with targeted interventions to help young people overcome disadvantages in entering and remaining in the labor market.

Targeted, but coherent interventions should address the gender and age specific challenges of young people; the aspirations of youth which do not match the realities in the labor market; the lack of job experience which makes them less attractive to employers; the difficult access to and low quality of education and training, especially in rural areas; the lack of organization and voice to ensure their needs are addressed in policies and programs; the demographic bulge and migration from rural to urban areas; early motherhood; and the difficult access to the means needed for the youth to engage productively in the economy. These challenges are amplified by conflicts and by discrimination based on sex, ethnicity, race, religious, cultural, health, or family status, which also require decisive action.

Past interventions to support young workers in Sub-Saharan Africa: What do we know?

The World Bank has compiled a world-wide inventory of interventions designed to integrate young people into the labor market (Puerto 2007, Rother 2006). Eleven out of the 29 programs in Sub-Saharan Africa covered in the inventory have a comprehensive, multiple service approach. In most cases, these programs depend almost entirely on external funding from international donor institutions, bilaterals and their national implementation agencies. Such programs included elements targeted at helping young people to start their own businesses, combined with elements of skills development and training. Seven programs focused exclusively at improving chances for young entrepreneurs. They typically encompassed modules such as supporting young people in starting their own business, including providing training on writing project proposals and business plans; conducting feasibility studies; counseling on legal requirements; and improving their access to credit/start-up loans. An example of this category of programs is the *Youth Dairy Farm Project in Uganda,* which supports youth by training them in the management of husbandry and farm products, which the youth then sell. Six programs focused mainly on skills training for young people and four programs adopted the objective of making existing training systems work better for young people. The latter intended to improve highly fragmented, input-orientated training systems by upgrading

training facilities; improving the quality of training centers; enhancing the quality of instruction; and upgrading the matching processes between labor demand and supply through better coordination and information systems. Finally, one program was categorized as making the labor market better for young people: The public works program in South Africa covers infrastructure projects, the environmental sector, and the social sector, and seeks to increase the labor intensity of government-funded programs and to create work opportunities in public environmental programs.

Interventions in the poorest countries have generally focused mainly on young entrepreneurs and followed a scheme of multi-service programs. This contrasts with the situation of middle-income countries such as South Africa and Namibia, where multi-service comprehensive approaches were used predominantly to integrate unemployed youth into the labor force, mainly through the provision of skills training programs.

Young workers were the primary focus of most employment interventions included in the inventory. Twenty-two out of the 29 programs (76%) targeted young workers exclusively, while seven programs were open to unemployed workers of all age groups. Most of the programs targeting youth workers aimed at improving employment prospects for young entrepreneurs, skills training, or implementing the multiple service approach. Eight programs focused on urban areas, six on rural areas, and fifteen on both areas.

Eleven out of the 29 programs were directed towards young women, and three programs targeted young workers with disabilities. Moreover, 12 programs were aimed at young people with low-income, and 17 at youths with low levels of formal education. By contrast, ethnicity did not appear to be a selection criterion. In general, significant complementarities can be observed in programs targets. For example, the majority of programs that target low-income youth also target youth with low-levels of education. A similar trend is observable for programs targeting women or disabled youth, which focus at the same time on young people from low-income families with no or only low levels of education.

However, evaluations of the impact of the programs—an invaluable element for guiding policy—have been very low in Sub-Saharan Africa, and lower than in any other developing region. This can be explained partially by the low number of youth employment programs in the region, poor data availability, and the fact that evaluations rarely tracked post-program outcomes.

In general, programs in Sub-Saharan Africa included in the inventory were not evaluated appropriately. For example, while 11 programs included information on gross labor market outcomes, 16 programs lacked any information on results or the level of evaluation was unknown. Only two had enough information to suggest a positive impact. In the case of 10 programs—including three entrepreneurship programs, three skills training programs, one "making training systems work better for young people" program, one public works program, and two multiple service programs—a tentative assessment based on limited available information would suggest a positive impact on labor market outcomes. However, it is not clear whether the benefits exceeded the costs associated with the programs' implementation in all cases.

Two programs (PCY Uganda and the Swiss-South African Co-operation Initiative) that have a comprehensive, multiple service approach, for which an impact analysis was conducted, were awarded the highest rankings for the quality of their intervention. These programs had a positive impact on labor market outcomes and were cost-effective. PCY pursues an integrated, multi-dimensional approach to promoting the needs of children and youth in the areas of social work for and with young people, information and counseling, entrepreneurship and self-employment activities, and local skills development.

According to the inventory, it appears that successful interventions in the region are often associated with a multifaceted, integrated bundle of services such as skills training, promoting entrepreneurship and addressing social elements. Moreover, programs aimed at strengthening entrepreneurship also seem to deliver satisfactory results in many cases.

Accounting for all programs with net impacts evaluations included in the inven-

tory—73 out of 289 programs implemented in 84 countries around the world—it appears that comprehensive, multiple service approaches did better than average. In Latin America, the Jovenes Programs, for example, have been widely analyzed and cited as a successful story in assisting young workers in developing countries (World Bank 2007). They use a demand-driven model that targets economically disadvantaged youth, fosters private sector participation, and promotes competition among training providers. It has been successful in improving job placement and earnings, but has become particularly expensive for some countries where it has been replaced by smaller and more focused interventions.[10] Entrepreneurship programs also performed better than average. Despite its low frequency in interventions and evaluations, this category of program shows improvements in employment and earning of young people. Overall, training-related programs were relatively less successful than average.

As long as youth employment programs in Sub-Saharan Africa countries are relatively rare, more systematic and careful evaluations of program performance are needed to draw strong policy conclusions. To the extent that evaluations exist, they typically fail to analyze the effect of policy interventions.

The particularities of African countries and the lack of more systematic information and evaluation of what works leaves the need to discuss and explore areas for interventions. In what follows, this essay discusses areas that should be included as important elements in development agendas aimed at tackling youth employment in Africa.

Expanding rural job opportunities

Africa's rural population is very high and a substantial share of the labor force is attached to agriculture, making rural activities a major part of the equation of youth employment. Unless urban areas can create a massive number of jobs, which is unlikely because most countries have not yet initiated their transition to industrialization, any development agenda must recognize that in the short term only rural activities, farm or non-farm, can effectively create occupation for most new job seekers.

There are conceptual issues relating to the specificities of African economies and labor markets. Indeed, labor markets in developing countries, and particularly in Sub-Saharan Africa, differ from those in other countries in that most of the labor force is either in informal jobs, self employment, or inactive. Rural wage labor markets are very thin and almost all occupied youth are in subsistence agriculture or unremunerated home production activities, and unemployment there is typically very low. Working conditions in agriculture are particularly unfavorable and can be hazardous. This fact, along with low income and limited perspectives of improving living standards and educational attainment, encourages youth to migrate.

Making well balanced choices for employment-intensive investments in agriculture and other rural non-farm activities can create immediate short term employment opportunities which can be more easily tapped by young people. Combined with appropriate local economic development strategies, this approach can generate more and sustainable jobs. Indeed, an study in Liberia (FAO/ILO/Ministry of Agriculture 2007) demonstrated that modern agriculture has considerable potential for job and wealth creation and may absorb large numbers of would-be youth migrants or youths who currently crowd the cities with underemployment. However, this requires strategies to make agriculture an attractive enough option for youth to engage

[10] Estimates on unit cost for the Jovenes Programs range from the upper US$ 600s to about US$2,000 per participant served. Across programs, there is impact evaluation evidence of increased employment probability and earnings of participants upon graduation compared to their control group. Although expensive, they proved to be cost-effective. Early evidence from Peru indicates that the positive earnings effect shall last at least 7 years for PROJoven to yield a positive net gain. A recent longitudinal version of propensity score matching of PROJoven shows a positive internal rate of return, consistently above 4%. In Dominican Republic, the investment on training is recuperated after 2 years. Although the program has yielded positive results in Latin America, it does not mean they will necessarily work in other contexts. Piloting and carefully evaluating results are therefore needed should governments want to replicate them in Africa.

in, including moving away from subsistence agriculture, and introducing commercialization and productivity improvements through technological changes and infrastructure support. Recent changes in the global food market, in science and technology, and in a range of institutions that affect competitiveness are creating new challenges to the competitiveness of smallholders, but are creating income opportunities, too.

In order to create jobs, accelerated progress will be needed to increase agricultural productivity and to connect poor people to markets. Sustained growth that reduces rural poverty will require significant growth in agricultural value-added and multi-sector approaches that solve gaps as well as support agribusiness, and rural diversification. To create jobs that will increase rural income and welfare and, thereby, retain young people, it is necessary to increase investments in irrigation, water resources management, and research and extension; increase rural public services; and increase use of improved seeds, fertilizers and better agricultural practices. It is also necessary to address vulnerability to weather-related shocks and limited farmer capacity, distorted incentives (including Government policies) that keep farmers in subsistence farming, poorly functioning input/output markets, and weak institutional capacity to manage the risk of food insecurity. Increased investment in rural roads, rural electricity, and communications will permit rural areas to become better connected to market opportunities.

Investments in rural education are also necessary to increase rural productivity and enhance the well being of the rural residents. As the rural young workers today may be the urban workers tomorrow, investing in human capital in rural areas is important not only as a way out of poverty in the agriculture sector, but also as a way to create opportunities for people to migrate more successfully and contribute to the economic growth of cities (World Bank 2009). Indeed, better educated migrants are more likely to have a successful migration outcome.

Because young people are the most mobile, they are the most likely to switch sectors to take advantage of new opportunities (see Box 1). So policies to designed to develop the farm and non-farm sectors will likely have a particularly pronounced effect on youth, even if not specifically targeted at them. For example, the promotion of small and medium rural enterprises that use new technologies could have a differential impact on youth, given their advantage in using them.

By creating jobs and educational opportunities, rural areas can increase their attractiveness to young workers, thus eventually delaying the rural-urban migration. This is a very critical issue that governments should attempt to mitigate in order to prevent the growth of urban youth unemployment and underemployment, and the worsening of well being in already congested African cities.

Youth migration can significantly change the composition of the rural population, which poses its own challenges for rural development because migration is often selective. Those who leave are generally younger, better educated, and more skilled. Youth migration can thus diminish entrepreneurship and education level among the remaining population. In addition, migration can change the gender composition of rural populations. But migration has several benefits too, as it diversifies risks, contributes to rural income through remittances, and increases knowledge and opportunities. The challenge, then, is to find the appropriate set of incentives that makes youth migration contribute the most to lift the livelihoods in both rural and urban areas.

Employment opportunities for the rural youth are not only in agriculture but also non-farm. Including rural towns, the rural non-farm sector accounts for about 20% of employment opportunities in Sub-Saharan Africa. The history of economic development has shown that development of the non-farm sector is tied to improved productivity on the farm. As technological innovations raise productivity on the farm, labor is freed up to move to the non-farm sector. The range of opportunities in rural areas is far wider than might be apparent at first glance.

The rural non-farm economy can generate a significant share of rural incomes, shares that have grown in many countries. Earnings are significantly higher in non-farm activities mostly due to skills differences. In some instances, this higher income share is a

Box 1 Escaping poverty through migration: Insights from Burkina Faso

In a recent study the International Movement ATD Fourth World tells the life story of Paul, a youth who lived in the streets of Ouagadougou when he left his village about 35 km from the capital in search of opportunities. Like other children from the streets, Paul never accepted to be called a 'Street Child' as this was a pejorative label. After meeting the Fourth World team, it took Paul several years to return to his village in part due to the shame that he had felt from having ended up in the streets. But he did manage to stabilize his life by going back to his village, and he is now back in the city and doing well.

Paul's story highlights how employment conditions for youths in poverty are often made up of a stream of activities in a process of trial and errors in search of a decent livelihood. During four years spent in his village after coming back from Ouagadougou, Paul engaged did seasonal gardening in his uncle's garden. Then this uncle gave Paul the opportunity to grow and sell vegetables on his own and he made a small profit from it. He later helped another uncle to work with a tractor and was paid for this work. Still with another uncle he sold clothes at a local market, and another relative introduced him to buying chickens and selling them to merchants who came from the city. With friends and relatives he made bricks of clay to sell as building material. He also raised chickens, goats, and pigs. Basically every activity that Paul participated in involved a relative or a member of his community, suggesting that the quality of social links between community members is essential for access to work and training for youths.

After four years in his village, Paul left again for Ouagadougou. As he explained it, "*In the village you can't earn a living by farming without trading. I came to Ouagadougou in search of money to start trading. I want to sell new clothes in the village: hats, caps, and Nike sportswear. I expect to work in my village and I want to help my parents and my brothers*." Shortly after his arrival in the city, Paul found a job in a restaurant. He also found accommodation in a yard in the same area. Paul's job consists in selling roasted chicken. He is in charge of the cash register, which is a sign that the owner of the restaurant trusts him. Paul still goes back to the village every third Sunday, which is a market day. He visits his parents and grandmother. He leaves them some money. He leaves his savings with an uncle in the village. Thus, even though Paul went back to live in the city as it did provide better job opportunities, he still identifies himself as a member of his family and as a villager. He describes his future project as follows: "*I will begin trading during the holiday season. Once I begin trading, I will stop working at the restaurant. I will look after my relatives during the rainy season and provide them with food. My young brothers can learn trading with me. They can come and help me, take things to sell and go around the market*."

Can it be concluded from Paul's life story that he and his family moved out of poverty and that migration and employment in the capital ultimately played a positive role in this process? Probably yes, at least to some extent. Nowadays, Paul is in a better economic situation than before, even if he still has an informal and potentially unstable job, as most other youngsters in Burkina Faso. Today, Paul keeps as one of his key objectives the ability for him to support his family. He actually measures the success of his activities in part by his ability to support his parents and brothers. As Paul said as a conclusion to his experiences, "*I have a job, that's good. If you don't have a job, you don't know what you are going to do to earn money. What is also good is that I am not far from my village: I can go see my family and come back. I am lucky because if I go back to live in the village, I will always find work and the people will always show me what to do*." At the same time, the story shows that migration for the sake of better employment is often an iterative process, especially when the migrant stays within his/her country, and that it may entail substantial costs, as evidenced by the period during which Paul was forced to live in the streets of Ouagadougou, lost contacts with his family, and thereby lacked the support that such contacts may bring.

Source: Wodon (2008).

result of crop failures or other adverse shocks to the farm sector. In most cases, however, rising productivity growth in the agriculture sector raises farm income and hence the demand for goods and services produced outside agriculture. International evidence shows that labor productivity is higher there as measured by value added per worker.

Although agriculture is still the largest source of rural income in Africa, the shares of incomes from non-farm rural activities in total income are already relatively high and increasing. The small participation of the non-agricultural sector in employment suggests that it has the potential to contribute substantially to job creation and income. In Latin America, for example, about half the youth population in rural areas, and more than 65% of those ages 25–34, work in nonagricultural activities (World Bank 2007).

The demand for youth labor will not increase without a dynamic rural economy in both the agriculture and non-farm sectors. An appropriate investment climate along with adequate infrastructures that prepare towns and cities for business and urbanization is therefore critical. Indeed, rural Investment Climate Assessments reveal substantial constraints on rural investment,

including access to credit, land titling, inadequate supply of energy, poor quality of roads and infrastructure, lack of well-functioning legal structures, and weak governance.

Improving the investment and macroeconomic environments

Though improving the investment climate is not youth specific, it can have a significant impact on youth by creating more and better jobs. Indeed, economic growth and job creation benefit most participants in the labor market, youth included. When labor demand is strong, youth employment and labor force participation for both males and females increases while the unemployment rate for youth tends to go down.[11]

Governments should create a better investment climate by tackling unjustified costs, risks, and barriers to competition. They can do this by ensuring political stability and security, improving the regulatory and tax climate for investment, and providing needed infrastructure. Trade facilitation and adequate industrial policies can also play a key role in the business environment in the region. In the case of Africa, which is a high risk and high cost place for doing business, improvements in the investment climate can rapidly be accompanied by creation of jobs.

Expanding world trade has shifted production around the world. Because the young are the most able to respond to the growing demand for labor, these shifts can favor them. The young may also be particularly attractive to firms in new and growing sectors of the economy because they are more adaptable than older workers to new production methods.

Industrial growth led by foreign direct investment can be stimulated partly by the availability of cheaper young labor. However, as the dynamic growth process occurs, the demand for a more educated labor force able to adapt to new technology with appropriate knowledge, skills, and behavior will increase. Indeed, opportunities in more dynamic sectors can provide incentives for youth to acquire more skills. Among 48 developing countries, increases in apparel and shoe exports as a share of GDP were found to be positively associated with subsequent upturns in both male and female secondary school enrollment. For the average country, a doubling of apparel and footwear exports as a share of GDP raises female secondary school attendance by 20–25% (Gruben and McLeod, 2006).

The poor job creation observed in virtually all Sub-Saharan African economies, whatever their geographic and demographic characteristics, income level, and whether or not reforms were undertaken, suggests that the supply side explanation may be incomplete. Yet small domestic and regional market sizes and low purchase power of consumers trap firms in low scale production and low productivity and help explain the limited labor demand and the types of jobs created. Limited economic activity is therefore an important determinant of youth unemployment and underemployment. Resolving these problems requires growth of employment at a sustained level. Well-designed macroeconomic policies that balance objectives of macroeconomic stability with employment generation are of primary importance. Given that youth employment is highly dependent on the general employment situation, policies to boost and sustain job-rich economic growth are fundamental for young peoples' successful integration in the labor market.

During recent decades, growth in Sub-Saharan Africa has been both low and highly volatile, which helps explain the poor investment climate and gloomy job creation (Arbache and Page, 2008). Indeed, volatility reduces the time horizon and incentives for long-term investments, and increases risks. Africa's poor long-term growth was a product of good and bad times for its economies that featured surprisingly high rates of growth and decline that occurred with almost equal frequency (Arbache and Page, 2007). There is now sufficient evidence that economic, social, governance, and institutional variables are significantly different during growth acceleration and deceleration episodes, and that reducing growth volatility and preventing growth collapses turns out to be critical for sustainable growth and job creation.

[11] In poor countries where few can afford to be unemployed, increasing labor demand is likely to impact primarily quality than quantity of jobs.

Encouraging and supporting entrepreneurship

A main factor behind the high rate of youth underemployment in Africa is the lack of productive jobs to meet the supply of youth. An alternative to reducing the underemployment is encouraging entrepreneurship, a driving force for initiating business ideas, mobilizing human, financial and physical resources, and for establishing and expanding enterprises. Entrepreneurship is not youth specific, but can unleash the economic potential of young people and provide living alternatives for them. An enterprise and entrepreneurial culture is of primary importance. Societies that appreciate entrepreneurship and promote its values and norms can create a dynamic and vibrant class of young entrepreneurs. Empirical evidence shows that educating young minds in enterprising behavior, thus boosting confidence for calculated risk taking, increases incidence of adopting entrepreneurship as a career option.

Young people, and in particular young women in rural areas, face particular challenges. They have less capital in the form of skills, knowledge and experience, savings and credit, and more difficult access to business networks and sources of information. Weak representation of young people in policy and decision-making is another issue. They lack the influence and the connection with representative business associations and networks that generally work with the government on relevant policies. Enhancing their capacity for participation in association building and policy advocacy can address this disadvantaged position. Young women entrepreneurs face additional hurdles, as in many cultures their roles in the family and society keep them from tapping opportunities in business development. Because of this, they are more likely to be in the informal economy, in self-employment activities, and are less likely to be entrepreneurs employing others.

Youth entrepreneurship can be maximized through programs and strategies that address the barriers to doing business, identify youth with entrepreneurial drive and talent to be nurtured, build the appropriate skills, and help new entrepreneurs develop their businesses. Successful development of youth business hinges upon good access to well integrated services such as management training, business mentoring programs, financial services, support in gaining access markets, and networking opportunities (see Box 2).

In most countries, the fastest growing form of employment is the non-agricultural household enterprise. This sector already accounts for 24% of the labor force in Uganda, and 30% in Senegal. This employment is mostly urban, although there is an important rural non-farm sector as well. Informal economy agents should be strengthened to improve the quality of employment and increase productivity. The service sector offers immense possibilities in both rural and urban areas. By encouraging informal sector enterprises to grow and succeed, without encouraging illegal activities and tax evasion, several productive jobs can be created for the youth.

Improving access to education and skills

A young person's employment prospects are closely related to the education received. Access to basic education is widely recognized as an effective means of combating child labor and eradicating poverty. Indeed, education and skills development generate important economic as well as social benefits. Unskilled youth workers are more vulnerable to economic shocks, less likely to find work, more likely to get stuck in low quality jobs with few opportunities to develop their human capital, and are also more vulnerable to demographic changes. In Ethiopia, young-age cohorts have a much larger impact on the probability of unskilled youth in urban areas to find jobs than those more educated (Garcia and Fares, 2008).

Education and skills are central to increasing productivity and income. Boosting productivity requires technological change, which in turn is only possible if new and higher skills are available at large. Investment climate surveys show that more than a fifth of all firms in developing countries as diverse as Algeria and Zambia rate inadequate skills and education of workers as a major or severe obstacle to their operations (World Bank, 2007). It is important to take these factors into account in policy planning. Capital investment and introduction of new technologies without having a locally skilled

and educated workforce available means that local youth will be ill-equipped to take up emerging jobs. On the other hand, having highly-skilled and educated persons available without job opportunities will lead to outward migration, or trigger frustrations with negative consequences.

There have been significant improvements in primary school enrollment in most parts of the region, but access to and quality of education are still major issues, especially in rural areas. Lack of access to education has been shown to be among the most important reasons for youth migration; it was cited by 57% of Ethiopian youth who recently migrated from rural to urban areas (Ethiopia LFS 2005). Although the enterprise surveys in Africa suggest that skills of workers is low on their list of complaints, a finer look reveals that the better companies, such as the large foreign owned companies in demanding sectors (export industries as opposed to retail), do complain quite a bit about skills.

Reaction to improved access to education can be significant as suggested by the result of the elimination of school fees for primary education in Kenya and Uganda. This action produced large increases in school enrollment and had large impacts on completion rates for fourth and fifth graders from poor households. Other costs, however, can still hinder the chances of the poor to attend school. For example, in some countries, distance to school was found to be a major correlate of program uptake (World Bank 2008).

Providing specific technical skills in high demand by the private sector (e.g. English proficiency, plumbers, mechanics and accountants) and in rural areas are also important for successful youth employment policies. It is necessary to expand public training opportunities to provide better access to disadvantaged urban and rural youth, the less educated, and girls.[12] Indeed, to the extent that women engaged in the labor market have lower fertility, higher bargaining power and improved allocation of resources at the household level, targeted job opportunity programs for girls may have far-reaching beneficial consequences.

Policies should include the introduction of new fundamentals into the skills development systems such as: national occupational standards; curriculum development which emphasizes both the acquisition of knowledge and understanding and the demonstration of occupational performance; skills assessment based on demonstration of competencies; additional skills for employability along with occupational training; funding focused on performance and outcomes of the Technical and Vocational Education and Training (TVET) institutions (see Box 2); and skills recognition and certification to help youth to seek jobs in the formal economy. The provision of public technical and vocational training has, however, been less than adequate as it often offers insufficient opportunities for practice and is biased toward white collar jobs in the urban wage sector; provides courses that are often rigid and too standardized to meet the multi-skill needs of the workplace; and often includes little accountability and few incentives to monitor and adjust to changes in the demand for skills of formal and informal sectors (Adams 2008).

Informal apprenticeship is a major provider of skills in the informal economy, mostly for the poorer and less educated youth. Governments and social partners need to review informal apprenticeship systems and provide guidance and support to this system through introduction of regulations (such as the maximum duration of training per trade in order to prevent exploitation of apprentices); improvement of the learning processes through training of master craftsmen and provision of incentives to these craftsmen; assistance with the testing and certification of graduate apprentices; inclusion of evening literacy or theoretical classes to apprentices in the public education/training institutions; and offering a fiscal allowance to apprentices, giving many more youth a chance pay for their training.

Developing second chance education programs for dropouts should also be an important element of an effective program. Examples of such are in Uganda and Malawi,

[12] Low rural educational levels, poor learning outcomes, scattered populations, limited demand, and low cost-recovery are challenges in providing quality training services in rural areas (Bennell 2007).

Box 2 Jua Kali Voucher Program in Kenya

One of the best known programs under this heading is Kenya's Jua Kali voucher program, established in 1997 as a pilot program, under the auspices of the Micro and Small Enterprise Training and Technology Project. Under this type of program, vouchers are issued to unemployed youth, who can personally select a training provider based on their needs and objectives, rather than having them chosen by a bureaucratic institution. The voucher program intends to empower recipients with the capacity to buy training on the open market and thereby promote competition between private and public suppliers. The approach should improve the quality of training and bring down the costs, while at the same time ensuring a better match between the participant and the training course. Under the Jua Kali pilot program, anyone eligible for training is given a voucher which can be cashed in at the chosen training provider. Participants pay only 10% of the cost of the voucher with the government subsidizing the remaining 90%. Master craftsmen were the major providers of training, responding to demand from clients. Although the Jua Kali voucher scheme did not focus entirely on youth, the majority of those trained were young and disadvantaged. Under this program, 37,606 vouchers were issued to entrepreneurs and employees in enterprises with fifty workers or less over the 1997–2001 period. There is evidence that the scheme has had a positive impact on those who were trained and that it has boosted employment, assets, and business for enterprises which participated (in comparison with a control group). These findings relate to a small population served by the pilot program; there is no evidence of outcomes/impact in a large (national) sample. The scheme was complex and costly to establish, and it has proven to be difficult to phase out the subsidization of the vouchers. Lessons learned from the experience include the following: such schemes should be administered through the private sector rather than (as in Kenya) through a government ministry; the scheme should include provision for upgrading of training providers, especially those from small enterprises; and it should promote the willingness of clients to pay for training. An exit strategy is needed unless subsidies are to last forever. But, overall, the Jua Kali experience suggests that there is scope for the use of vouchers in a system more precisely targeted at the most vulnerable.

Source: Johanson and Adams (2004).

where social funds projects are providing training to local youth at community owned training centers. This training could have a rapid, strong effect on key sensitive populations (including pregnant girls and young mothers). Half of the 19-year-olds in school are at the primary level in Malawi (World Bank, 2007). It is important, however, to carefully evaluate the cost/benefit ratios of these programs, which tend to be expensive.

To make optimal use of investments in education and training systems, policies related to education and skills need to be fully synchronized with other policies and programs for productivity, income growth, and job creation. These policies must also consider the flow of capital investments in the economy. Therefore, inter-ministerial coordination and collaboration among different stakeholders becomes crucial.

Addressing demographic issues

Africa's population is growing fast and is experiencing a slow demographic transition. The projections are that this will not stabilize before 2050. This transition has fiscal, political, and social implications, ranging from increased education and health costs to risks of social unrest. The demographic transition makes youth the most abundant asset that the region can claim, thus making it a window of opportunity. Indeed, East Asia put the right policies and institutions in place and was able to reap the demographic dividend from a large work force with fewer dependents, and part of the Asian Miracle is often attributed to the demographic dividend.

The demographic pressure from a large youth cohort entering the labor market can adversely affect youth employment prospects. In Ethiopia, the size of the youth cohort has already reduced the probability of their employment. In Tanzania, the increase in the size of the youth cohort has increased the incidence of unemployment among urban youth, particularly among urban females, and increased inactivity among urban males (Garcia and Fares 2008). Given the large and increasing size of the youth population, African countries will have to recognize that finding proper jobs for most new job seekers, especially in cities, will be a challenge, and that it is likely that the informal sector will continue to play a key role as a means of job opportunities for a long time to come (Fox and Gaal, 2008).

Although crude birth rates have been declining, especially among young women,

Box 3 The Adolescent Girl Initiative

The World Bank's Adolescent Girl Initiative began as a US$3 million public-private sector partnership between the Government of Liberia, the World Bank Group and the Nike Foundation. In a pilot-phase, it will expand to at least six other low-income or post-conflict countries, adding the participation of new donors, governments, foundations and corporations. This initiative promotes the economic empowerment of young women by smoothing their path to productive employment. A new model of skills training matched to market needs for women aged 15–24 in Liberia has been developed with incentive structures in place to maximize access to wage jobs or successful self-employment. This model will be brought to the other pilot countries and, if successful there, to many more. In addition, depending on the economic environment, interventions such as business development skills training, job placement incentives and assistance, access to micro finance, and mentoring and apprenticeship programs will be added.

Source: Gender Equality as Smart Economics Newsletter, World Bank Group Action Plan, September 2008.

they are still quite high as compared to other regions—39 per 1,000 in Sub-Saharan Africa compared to 14 in East Asia and Pacific, 20 in Latin America and the Caribbean, 24 in Middle East and North Africa and South Asia, and 20 in all regions in 2006.[13] This has labor market repercussions for the mother, the father and the children. Indeed, early motherhood, a serious issue in Africa, has substantial impact on skills development and labor market and career development, thus compromising the likelihood of young mothers to invest in education and find good jobs (see Box 3). Evidence shows that high fertility traps young mothers, especially from rural areas, into household and low productivity activities. Easily accessible and effective sexual and reproductive health programs targeted to young women can play a key role in addressing this issue.

Addressing youth in violent and post conflict settings

Sub-Saharan Africa has been the site of numerous armed conflicts in which young people have been both the victims and the perpetrators of violence. The period 1990–2000 alone saw 19 major armed conflicts in Africa, ranging from civil wars to the 1998–2000 war between Eritrea and Ethiopia. Children and youth are increasingly participating in armed conflicts as active soldiers. Many young people do so because of poverty. The region has thousands of ex-young combatants—100,000 in Sudan alone. In one study, crippling poverty and hopelessness were unanimously identified as key motivators for the 60 combatants interviewed (Human Rights Watch, 2005).

It is becoming increasingly recognized that non-economic aspects of poverty, such as the absence or inadequacy of essential services, the lack of livelihood and educational opportunities, and the non-participation of youth in decision—and policy-making are conditions that promote the involvement of young people in conflict. Conflict prevents children from obtaining a decent education and learning useful skills. Lacking any real social capital, many feel excluded from mainstream society and seek to become part of an armed militia, where they feel accepted (Integrated Regional Information Networks, 2007). Whatever the cause, conflict creates heavy losses in resources, thereby deepening poverty. Combined with poverty, conflict exacerbates the alienation of young people from society and hampers their ability to participate fully in development, even after the conflict is over.

There is a need for programs specifically designed to meet the needs of youth in conflict-affected countries. Such programs should include the recognition of prior skills through certification (e.g. Eritrea); and vocational training of ex-combatants with disabilities, such as in Sierra Leone. These programs should be more gender balanced and should not ignore the huge employment needs of young women.

Improving the labor market conditions

Active labor market policies and programs have increasingly been used in several countries to raise demand for young workers and enhance their employability. Their function is to mediate between labor supply and demand, to mitigate education and labor market failures, and to promote efficiency, equity, and growth. If properly targeted and implemented, these programs

[13] Crude birth rate indicates the number of live births occurring during the year, per 1,000 mid-year population. (WDI 2007).

can effectively benefit disadvantaged youth. They can also assist rural workers in finding better employment opportunities by linking them to jobs in semi-urban and urban areas, thus helping households transition out of poverty. These programs are useful, however, in countries where mismatch between job-seekers and existing vacant jobs is a significant problem, which is not the case of most African countries. In spite of this, active labor market policies can play a role in improving labor market conditions in the rapidly growing urban areas of the region and where demand for skilled people is on the rise.

One barrier to matching the supply of young labor to demand is the lack of both labor market information and job search skills. Regardless of a country's stage of development, labor market information, job-search techniques, and career guidance play an important role in helping young people in their career choices and can bring about better labor market outcomes should jobs become available. Labor market information improves the quantity and quality of job matches between employers and jobseekers, reduces unemployment spells, and increases labor market efficiency. The collection, analysis and dissemination of labor market information have a pivotal role in informing young jobseekers about employment opportunities and in providing indications for policy and program design. Furthermore, the availability of reliable and up-to-date labor market information is essential for the design and monitoring of youth employment interventions. Youth should also be given access to vocational and labor market guidance in order to understand labor markets and select the right occupation for which to train. This will reduce the time required for the job search and permit the utilization of knowledge and skills acquired through training in the job. To be effective, employment services have to keep up with the changing requirements of the labor market and offer targeted packages of services that meet both the young people's and the employers' needs.

Labor market regulations are also an important element of policies to promote efficiency and equity in the labor market. However, youth wages and employment protection legislation continue to attract controversy in the debate on youth employment. In countries where labor law compliance is weak and wage jobs are very limited, as is the case of many African countries, this is less than a problem. Labor codes have, nevertheless, often been considered a potential cause of high youth unemployment. The question for developing countries is not whether to regulate or not, but what kind and what level of regulations are appropriate to get the best forms of protection for young people, who are usually vulnerable and insecure, without inhibiting formal firms from hiring.

Good and effective public governance are critical for the successful design, implementation and impact of labor regulations, policies and programs. Key aspects of good governance include the rule of law, and institutions for the representation of all interests and for social dialogue. Social dialogue is a central element in the development of effective and credible interventions to promote employment for young people. It requires strong, independent and well informed partners. Participation of young people in membership-based organizations and their engagement in decision-making processes affecting their employment and working conditions are also important to fostering social inclusion and advancing democratization.

Conclusions

Successfully addressing the youth employment challenge requires a coherent and integrated response that recognizes the particularities of Africa, especially the very large share of rural youth population, gender and demographic traits, and tiny labor markets. In many countries interventions have focused on programs that are narrow in scope, limited in time, and biased toward urban areas. Increasingly, the political priority attached to youth employment has brought policy-makers to recognize that achieving productive employment and work for young people entails long-term action covering a range of economic and social policies focusing on labor demand and supply, and addressing both quantitative and qualitative dimensions of youth employment. Such policies and programs need to be integrated in broader development frameworks, and be made up of two key elements: an integrated strategy for growth and job-creation in both rural and urban areas, as well as targeted interventions to help young people overcome the specific barriers they face in entering and remaining in the labor market.

Job creation can be supported through employment rich growth, with specific focus on sector attractive to youth, and choices for employment intensive investment. The potential of entrepreneurship is high, but to be well tapped, specific support measures are needed. Training is a key intervention area, but it is not a panacea. Planning of training interventions needs to be well synchronized with other economic policies, and challenges must be well understood so that interventions are effective, in particular as many countries are about to reforming their training systems. Specific attention has to be given to training needs in the informal economy.

There is also heightened recognition of the need to work in partnership. Clearly the primary responsibility for promoting youth employment lies with governments. Therefore, coherence, coordination and cooperation are needed across different government institutions and agencies, at central and local levels. The challenge at stake, however, is daunting and the responsibility reaches beyond the national level. This calls for renewed efforts to work together in a concerted and effective way. Governments, the social partners, civil society, the international community, as well as young people themselves, all have an important contribution to make to this process.

Finally, as seen above, youth employment is not an isolated issue; it reflects economic, geographic, demographic, and other conditions, and the particularities of each country. Youth specific policies will be more effective when they are aligned with other policies and priorities and when they take into account the economic and social contexts. The main challenge for governments, however, is to determine how to bridge the short to the long term perspective, and to identify the appropriate policies to absorb the youth in the economy.

Essay references

Adams, Arvil V. 2008. "A Framework for the Study of Skills Development in the Informal Sector of Sub-Saharan Africa." World Bank.

Arbache, J.S. and J. Page (2007), "More Growth or Fewer Collapses? An Investigation of the Growth Challenges of Sub-Saharan African Countries", World Bank Policy Research Working Paper # 4384.

Arbache, J.S. and J. Page (2008), Patterns of Long Term Growth in Sub-Saharan Africa, in D. Go and J. Page (eds.), "Africa at a Turning Point? Growth, Aid and External Shocks." Washington, DC: The World Bank.

Bennell, Paul. 2007. "Promoting Livelihoods Opportunities for Rural Youth." International Fund for Agricultural Development.

Cling, Jean-Pierre Gubert, Flore Nordman, J. Christophe, and Anne-Sophie Robilliard. 2007. "Youth and Labour Markets in Africa: A Critical Review of Literature." Document de Travail No. 49. Agence Française de Développement, Paris.

FAO/ILO/Ministry of Agriculture. 2007. "Comparative Study of the Job-Creating Capacity and Efficiency of Crops and Related Activities in Liberia." Report submitted by ITTAS Consultancy Ltd, Accra, Ghana.

Fares, Jean Montenegro, E. Claudio, and Peter F. Orazem. 2006. "How are Youth Faring in the Labor Market? Evidence from Around the World." Policy Research Working Paper Series 4071. The World Bank.

Fox, Louise and Melissa S. Gaal. 2008. "Working Out of Poverty." Washington, DC: The World Bank.

Garcia, Marito and Jean Fares. 2008. "Youth in Africa's Labor market." Washington, DC: The World Bank.

Gruben, William C., and Darryl McLeod. 2006. "Apparel Exports and Education: How Developing Nations Encourage Women's Schooling." Economic Letter – Insights from the Federal Reserve Bank of Dallas Vol. 1, No. 3.

ILO. 2007. "African Employment Trends." Geneva.

ILO. 2006. "Global Employment Trends for Youth 2006." Geneva.

Human Rights Watch. 2005. "Youth, Poverty and Blood: The Lethal Legacy of West Africa's Regional Warriors." Vol. 17, No. 5.

Integrated Regional Information Networks. 2007. "IRIN In-Depth – Youth in Crisis: Coming of Age in the 21st Century." Special Series, February.

Johanson, Richard K., and Avril V. Adams. 2004. "Skills Development in Sub-Saharan Africa." Washington, DC: The World Bank.

Kapsos, Steven. 2005. "The Employment Intensity of Growth: Trends and Macroeconomic Determinants", Employment Strategy Papers, ILO.

Puerto, Olga S. 2007. "International Experience on Youth Employment Interventions: The Youth Employment Inventory." Background paper for the Sierra Leone Youth and Employment ESW, Washington, DC: The World Bank.

Rother, Friederike. 2006., "Interventions to Support Young Workers in Sub Saharan Africa." Washington, DC: The World Bank.

United Nations. 2007. "World Youth Report 2007: Young People's Transition to Adulthood: Progress and Challenges." New York.

United Nations. 2005. "World Youth Report 2005: Young People Today, and in 2015." New York.

Wodon, Quentin. 2008. Understanding Youth Migration and Employment: Insights from a Faith-Based Organization in Burkina Faso." Development Dialogue on Values and Ethics Note. World Bank, Washington DC.

World Bank. 2009. "World Development Report 2009: Reshaping Economic Geography" Washington, DC.

World Bank. 2008. "World Development Report 2008: Agriculture for Development." Washington, DC.

World Bank. 2007. "World Development Report 2007: Development and the Next Generation." Washington, DC.

World Bank. 2006. "Labor Diagnostics for Sub-Saharan Africa: Assessing Indicators and Data Available". Washington, DC.

Data references

Demographic and Health Surveys. http://www.measuredhs.com

Ethiopia Labour Force Survey 2005. Central Statistical Agency, Addis Ababa.

Madagascar Enquête Auprès des Ménages 2005. Institut National de la Statistique, Antananarivo.

Survey-Based harmonized Indicators Program (SHIP). The World Bank, Washington, DC.

Tanzania Integrated Labour Force Survey 2005/2006. National Bureau of Statistics, Dar es Salaam.

World Development Indicators 2007. The World Bank, Washington, D.C.