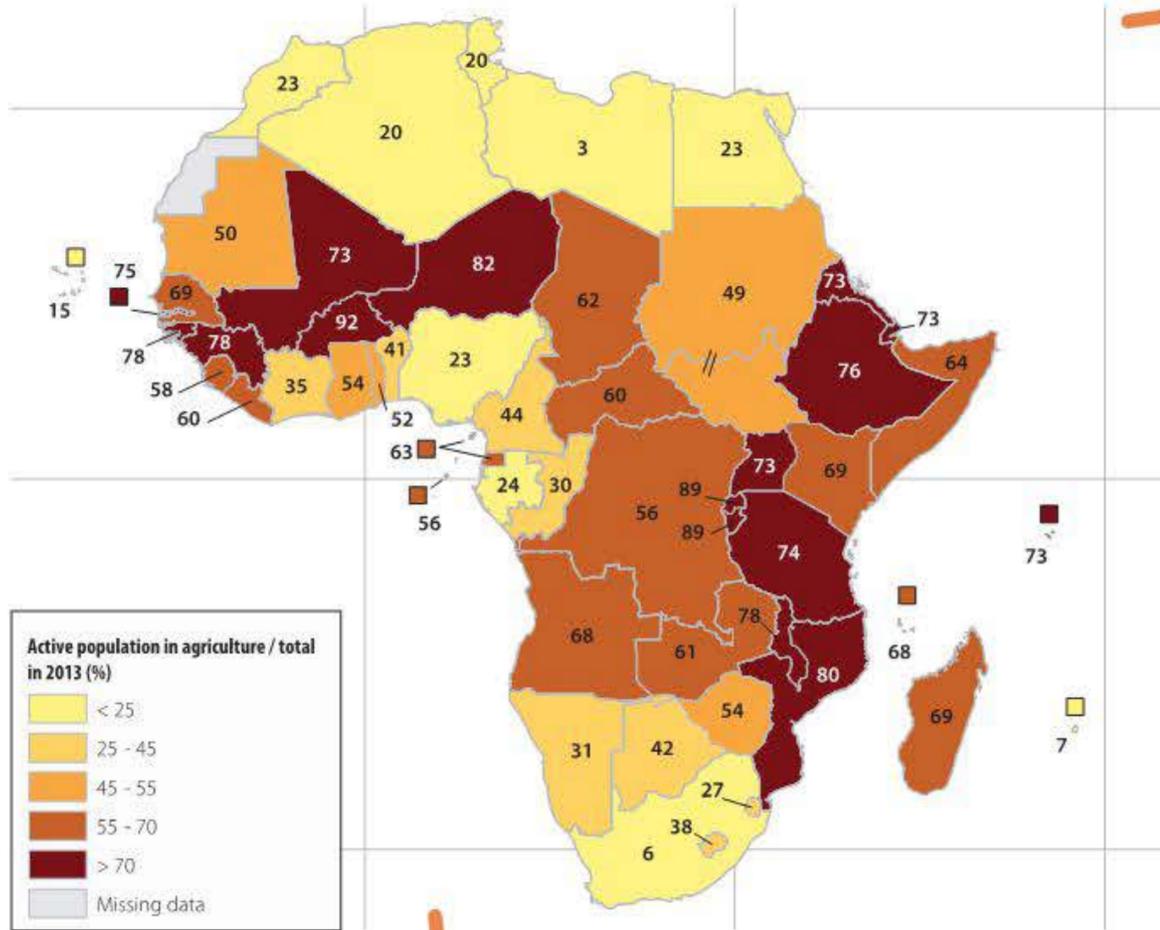


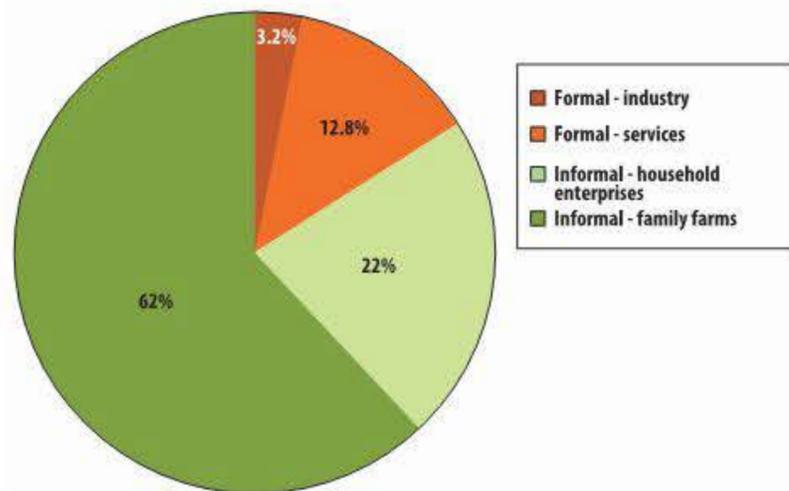
### M5. Working population engaged in agriculture in 2013

Source: FAOSTAT 2015 (see note page 69)



### Fig. 3. Structure of employment in Sub-Saharan Africa in 2014

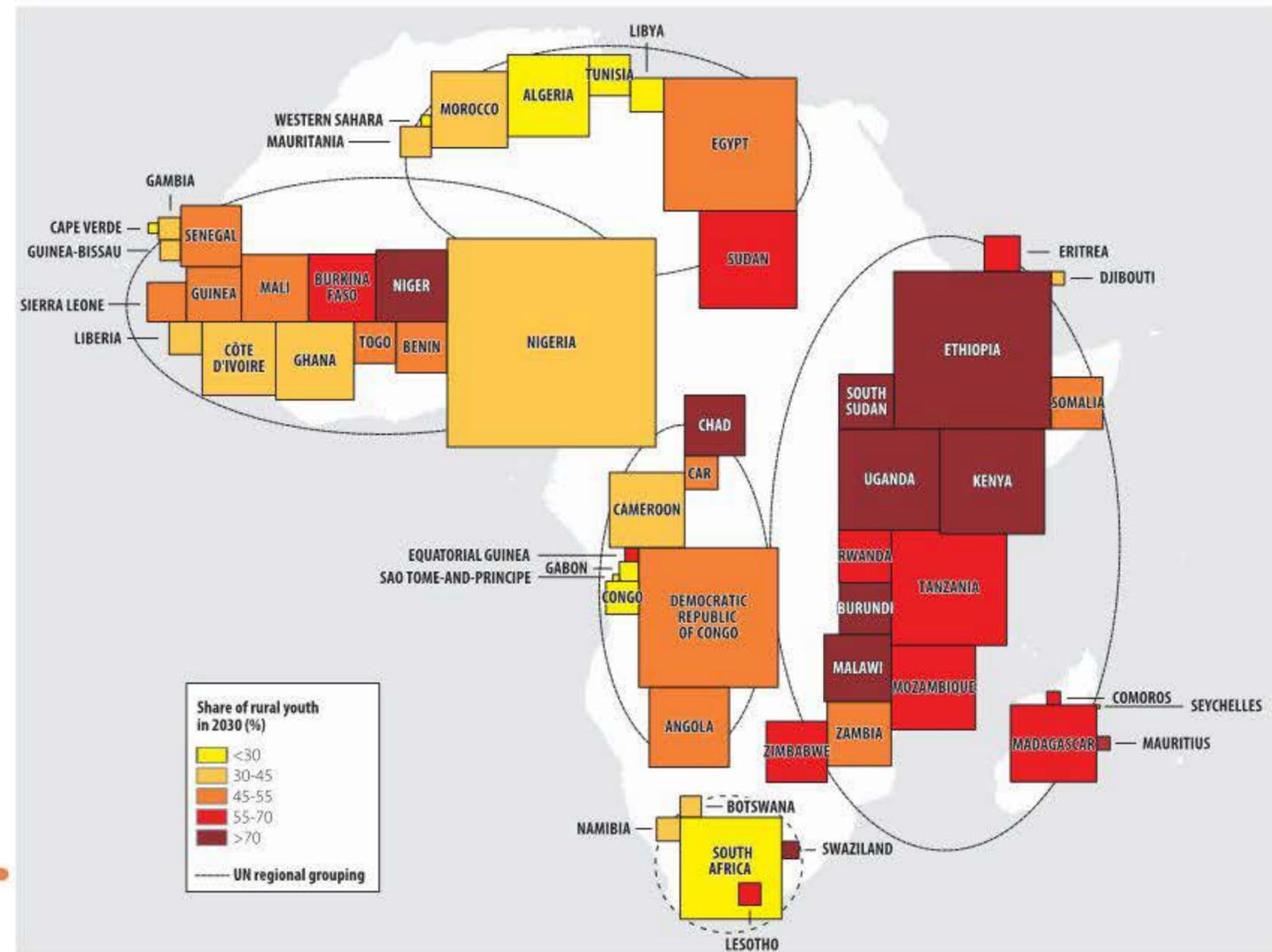
Source: Filmer et Fox (2014)



### M6. Number of young newcomers on the labour market between 2015 and 2030

Representation proportionnal to the number of new labour market entrants

Source: WPP 2015, WUP 2014 (see note page 69)



## YOUTH EMPLOYMENT: A CHALLENGE FOR THE CONTINENT

**The working age population in Africa is young and growing in size, constituting a key asset for the development of the continent. But it is also a major challenge, as the massive influx of young people into unstructured labour markets is causing serious problems. This challenge calls for proactive public policies focusing on training and support for labour-intensive sectors.**

### • Towards the demographic dividend in Africa

One of the main consequences of the demographic transition underway – both population growth and changes in the age structure – is the dramatic surge in the working age population (people aged 15 to 64). According to United Nations projections, by 2050, it will increase by 875 million people, and will account for almost 70% of growth in the global workforce. Over the same period, the working age population will shrink in Europe (-90 million people) and especially in China (-215 million people).

This growth in absolute terms will be accompanied by a declining age dependency ratio. With one working age person for every dependent person in the 1980s and 1990s, at the height of structural adjustment (while China had two working age persons for every dependent person), Africa was crippled in terms of its saving, investment and consumption potential. The dependency burden linked to high fertility rates compromised the development of productive capacities, income growth and improvements in the standard of living.

The continent will thus be in a position to gradually "reap" its demographic dividend – the unique period in population dynamics when the working age population and the dependent population are respectively at their highest and lowest levels –, since the ratio should reach 1.6 in 2050 and plateau at 1.8 in the 2070s. This dividend will nevertheless be smaller than in East Asia (China currently has a ratio of 2.5) due to continued relatively high fertility and the extension of life expectancy.

However, this dividend will only be effective if economic conditions enable full use of the additional labour force. If job opportunities are lacking, working age population growth could rapidly become a burden that generates social and political tension. The "Arab Springs" served as a reminder of the risks inherent in a young population with no prospects.

### • Young people at the core of the employment challenge

The scale of demand for jobs for young people clearly reveals the extent of the problem. Today, across the whole of Africa, more than 20 million young people (aged between 15 and 24) are looking for their first jobs or for income-generating activities. This annual cohort will rapidly increase to reach 33 million in 2030. With a 15-year horizon, this figure is not a projection: this future workforce is already born.

By 2030, a total of 440 million young men and women will need to find an activity to support themselves and their families. This is equivalent to the current population of the United

States and Mexico. Of course, the distribution of these young people between the countries of the continent reflects differences in the size and age structure of the population, and the Nigerian economy will need to absorb the highest numbers (70 million), followed by Ethiopia, DRC and Egypt..

### • What are the job opportunities for young people?

Labour absorption capacities depend on the structure of activity within economies, on available resources, physical and human capital and growth dynamics. At present, the continent is still marked by its high level of agricultural activity. The exceptions to this are North Africa, the Gulf of Guinea oil-producing countries and South Africa. Informal activities – in other words those that are unregulated and unreported – are predominant and are concentrated in family farming and very small businesses in the craft, trade and building sectors. Employment in formal services and industry is generally very limited. As a result, pay is low and jobs offer little or no social protection.

In order to absorb their cohorts of young people, the African economies will need to diversify and to develop labour-intensive sectors. This shift calls for appropriate public policies focusing first on training, which should be vocational and must respond to needs, and next on the development of infrastructure and services (communications, transport, energy, financial sector) that facilitate investment and the emergence of new activities.

The whole continent, and in particular sub-Saharan Africa, has considerable capacity for growth linked to this burgeoning labour force and also to the extent of physical resources still available. Developing these capacities will depend on technical choices that are conducive to employment, in other words that

prioritise labour over capital (mechanisation, automation) while ensuring decent working conditions (related to arduous work, pay, and protection). These strengths can be directed at meeting demand from the global economy and especially from the booming African internal market, which will have an additional 1.3 billion people by 2050.

However, although the African economies have begun to diversify, it is clear that the structure of activity will not change radically in the short or medium term, and that the industrial and high value-added service sectors will not provide the hundreds of millions of jobs required by 2030. Agricultural activities and very small businesses will inevitably have a key role to play and the public authorities will need to take account of their potential for development, modernisation and innovation. This calls for appropriate policies on credit, information and technical support, but also on more secure economic and institutional environments. Moreover, it implies improving the poor working conditions and status of young workers, which are one of the reasons young people shun this type of activity, especially in rural areas. Finally, it requires greater recognition of agriculture and skilled crafts in the media, at school and from policy makers, which is a prerequisite for meeting the challenge of youth employment.

**Bruno Losch**