

Discussion paper

ARISING AFRICA

CHALLENGES AND PERSPECTIVES

FOR A YOUNG POPULATION

The young societies in sub-Saharan Africa possess great development potential. But living up to this potential will require a social, economic and political transformation.

Economies need to diversify and increase productivity and innovation. They must create employment opportunities while ensuring that the profits benefit all sectors of the population.

This requires good governance, improved infrastructure and a pan-African free trade area. Above all, however, there is a need for investment in education and vocational training and good economic framework conditions.

Sub-Saharan Africa's substantial economic and social development potential is being actively pursued. Many countries are experiencing economic growth thanks to an increasing number of innovative young companies operating nationally and internationally. In doing so, they are benefitting from the improving state conditions in different countries: democratic progress, peaceful changes of power and a slight decline in conflicts.

With the "Agenda 2063: The Africa We Want", the African Union, to which all 55 African states belong, strives to create a comprehensive social, political and economic transformation on the continent in terms of democratic governance, security and peace. But this transformation would require the political will of all the member states to collectively tackle enormous obstacles such as inequality, violence, poor infrastructure and climate change. Particular challenges are rapid population growth, unchecked urbanization, weak political legitimacy of many states, and shortcomings in education and vocational training.

Although the formal sector is growing, sub-Saharan Africa's economy remains predominantly informal in both rural and urban areas. Inclusive and sustainable economic development with nationwide employment opportunities can only succeed and be consolidated if Africa's societies, governments and companies work together towards further developing also the informal sector in ways that are socially and environmentally compatible. The focus must be on sectors such as agriculture, soft tourism and information and communication technologies; on developing secondary cities outside the large agglomerations; and on expanding state services in rural regions. For this to succeed, an efficient tax system is needed for providing necessary resources. But above all, it is crucial to invest in an inclusive, high-quality school system and in vocational training that equip people for the working world – to ensure that the predominantly young population of sub-Saharan Africa has the knowledge and skills it needs to find work and make a living.



Author:

Geert van Dok
Political Communication

geert.vandok@helvetas.org



With contribution by:

Zenebe B. Uraguchi
Advisory Services
Market Systems Development

zenebe.uraguchi@helvetas.org

HELVETAS RECOMMENDS

To realise sub-Saharan Africa's development potential, a social and economic as well political transformation is needed. Helvetas focuses on five fields of action. Implementing these fields of action would require democratic cooperation between the state, private sector and civil society as key development stakeholders. The Agenda 2063 of the African Union provides a vision and action plan.



INTRODUCTION: FOCUS ON SUB-SAHARAN AFRICA

Africa has large cultural, political and economic dividing lines, especially between North Africa and sub-Saharan Africa. But the pan-African integration efforts of the African Union (AU) are increasing. Decisive for the future is whether it will be possible to overcome the difficulties posed by globalization, demography and climate change to shape a sustainable economy and to promote pan-African trade.

Africa comprises 55 countries, each with its own history, legacy of colonization and development. Africa is home to an enormous geographical, cultural and linguistic diversity, with numerous territorial, climatological and historically political and economic divisions. In addition to former colonial languages such as English and French, there are up to 2000 African languages. While South Africa and Nigeria are considered as emerging economies, 33 African countries are among the 47 “least developed countries” in the world. But political and economic integration is on the rise. All countries are members of the AU, which has a Pan-African Parliament and numerous subsidiary organizations such as a Monetary Fund, an Investment Bank and the Peace & Security Council. In addition, the African Free Trade Agreement was enacted in May 2019.

International discourse usually distinguishes between North Africa and sub-Saharan Africa. Since antiquity, North Africa’s regional reference point has been the Mediterranean states rather than the region south of the Sahara. The reason for this is its belonging to the Arab world in combination with its Islamic character, but also its regional self-understanding in the modern age and its tight and often tense relations with Europe. But there were and continue to be connections created by the traditional trans-Saharan trade and the pan-African integration of the African Union.

In this paper, we focus on sub-Saharan Africa – knowing about the above-mentioned diversity of the continent. In view of the challenges of globalization, its countries must work together to initiate a fundamental transformation: economies must diversify and increase their productivity and innovative capacity, create employment opportunities and ensure that profits benefit the whole population and that “nobody is left behind” (Agenda 2030 for Sustainable Development) – in rural as well as urban areas. This requires good governance, improved infrastructure, renewable energy and a pan-African trade area. Above

all, however, there is a need for investment in school education and vocational training as well as good framework conditions for economic activities so that motivated young people can develop their potential.

“Agenda 2063: The Africa We Want”



By adopting Agenda 2063 by the African Union (AU) in 2013, the AU aims to transform the continent by prioritising “inclusive social and economic development, continental and regional integration, democratic governance and peace and security”. The Agenda is both a vision statement and an

action plan. It integrates existing action plans such as CAADP (Comprehensive Africa Agriculture Development Programme), PIDA (Programme for Infrastructure Development in Africa), STISA (Science Technology Innovation Strategy for Africa), AMV (African Mining Vision), AIDA (Accelerated Industrial Development for Africa) and BIAT (Boosting Intra-African Trade). NEPAD (New Partnership for Africa’s Development), launched in 2001, serves as the overarching development agency for the Agenda 2063. Six years after its adoption, the success of the African Union in implementing its 14 initiatives is still modest, especially in peacekeeping and the expansion of the intra-African infrastructure. The decisive factor will be whether the single governments will lead the way in achieving the goals of the Agenda 2063.

CHALLENGES FOR DEVELOPMENT

Sub-Saharan Africa is undergoing great transformation. Its economic and social development potential is substantial. The African Union aims to move the transformation of the continent forward with “Agenda 2063: The Africa We Want”. But this requires the political will of all actors to tackle the enormous challenges such as inequality, fragile statehood and conflicts, poor infrastructure and the impact of climate change.

Africa is changing rapidly. Many countries are experiencing steady economic growth. Growth drivers were the meanwhile weakened commodity boom after the turn of the millennium and are today investments in infrastructure and a growing number of solid and innovative companies. There are new seeds of democracy and isolated peaceful changes of power. In order to promote these positive developments, the African Union’s Agenda 2063 aims for a comprehensive transformation. But the road is full of obstacles.

Growth versus poverty and inequality

After 20 years of economic decline, since 2000, many sub-Saharan African economies have developed remarkably in terms of gross domestic product (GDP) growth. The average growth rate between 2000 and 2017 was 4.7 percent per year. Countries such as Ethiopia, Nigeria, Rwanda and Guinea are among the fastest-growing economies in the world. According to the African Development Bank, about one third of the countries will show average annual growth rates of 5 percent by 2023.

Fig. 1: Growth GDP and GDP per capita, 1999–2018

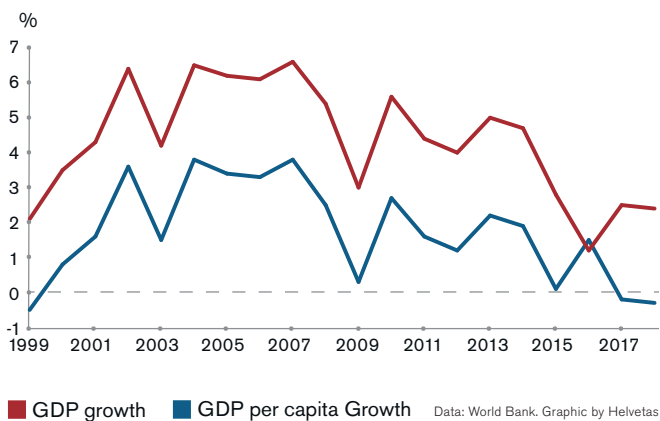
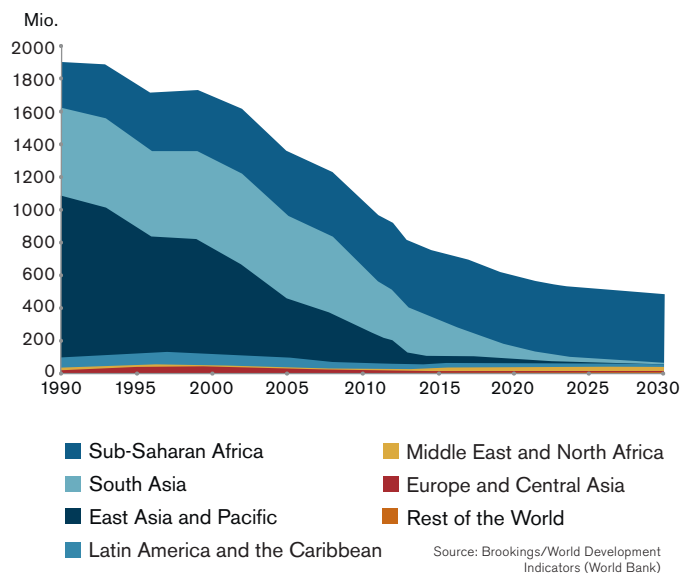


Fig. 2: Extreme poverty according to world regions 1990–2030



But GDP growth data are deceptive: the informal sector, which accounts for around 60 percent of sub-Saharan Africa’s economy, is barely represented. GDP data also say nothing about the national economic level and its sectors. In 2014, the manufacturing industry accounted for only 10 percent of the GDP, while the service sector accounted for almost 60 percent, as the growth of many countries is based on the extraction of raw materials. Additionally, GDP growth in no way reflects social inequality. Finally, per capita GDP growth is much lower than national GDP because of population growth (Fig. 1).

In fact, sub-Saharan Africa is the region with the lowest per capita income in the world. According to the World Bank, per capita income was 4.3 US-Dollar per day in 2018, with about two-thirds of people earning less than 2 US-Dollar per day. Economic growth to date has not

benefited the population as a whole. Rather, it has increased inequality. The poverty rate is falling but at a slower pace than anywhere else in the world, and the number of people living in extreme poverty has risen from 280 million in 1990 to over 410 million in 2015 due to population growth. According to the Center for Global Development, another 150 to 200 million people could be living in extreme poverty by 2030 (Fig. 2).

The Gini index better illustrates grave income and wealth inequality: the higher the coefficient, the greater the inequality (Fig. 3). In global terms, the gap between rich and poor is greatest in South Africa. Inequality has various causes, but much originated in the colonial period and was consolidated by the structural adjustment programmes of the IMF and World Bank in the 1980s and 1990s. Additionally, excessive dependence on the commodity sector and insufficient investment in the agricultural and other promising sectors has increased poverty and inequality.

Budding democracy versus autocracy, fragility and conflicts

Although state conditions improve in different countries with democratic progress and peaceful changes of power, the concentration of power in the hands of the elite is still widespread in sub-Saharan Africa. Powerful actors often pay little attention to the needs of the population, promote the exploitation of raw materials (often together with international investors) or encourage land grabbing by selling fertile land to foreign private and state enterprises, which in many cases leads to the expulsion of the local population.

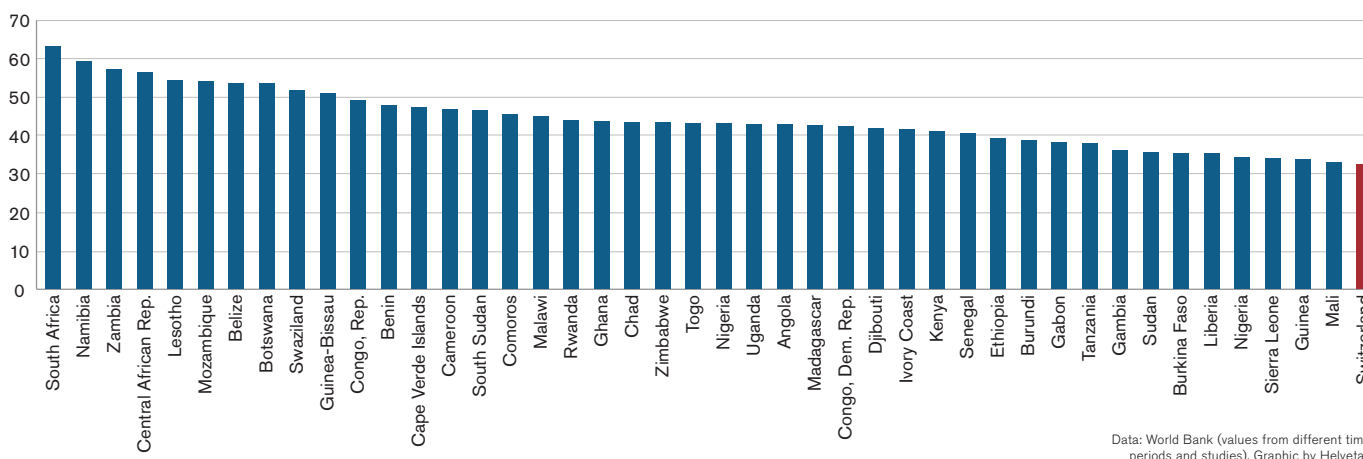
Countries with autocratic rulers are marked by poor governance, corruption and considerable shortcomings in the rule of law. State services are lacking, the scope for civil

Roles and tasks of development actors

Governments, the private sector and civil society are needed to jointly develop successful strategies for transforming society, politics and the economy. Viable solutions can only be found if all parties involved tackle the challenges from different sides. Thanks to their many years of experience in sub-Saharan Africa, development organizations can initiate such multi-stakeholder dialogues. State development agencies like SDC can contribute their share.

Innovative development organizations could facilitate long-term partnerships between the private sector and, for example, smallholder cooperatives that provide families a fair income, or with companies that produce sustainable products while protecting the environment. Thanks to good networking, these development organizations can help shape projects that are tailored to the country context and fulfil the requirements of sustainable and scalable development impacts. Additionally, they should offer practice-oriented vocational training that includes social skills and specialist knowledge. Where the scope of action for local civil society organizations is shrinking, international development organizations can advocate for an enabling environment and the strengthening of civil society. At the same time, NGOs always have the task of monitoring companies and administrations to demand their compliance with social and ecological standards, human rights and gender equality, as well as to know what works and what does not and why.

Fig. 3: Inequality in sub-Saharan African countries, according to Gini coefficient (income distribution)



Data: World Bank (values from different time periods and studies). Graphic by Helvetas



© Helvetas / Fatoumata Diabate

The effects of climate change: drought in Ethiopia

society is limited (“shrinking space”), but above all human rights are violated and social and political movements suppressed. As a result, people in rural regions in particular lack economic prospects, which can incite urban or international migration.

According to the 2019 Fragile State Index, 21 of the 30 most fragile countries in the world are in Africa. The crises and conflicts that persist in various places – often due to growing fundamentalist radicalization – are both causes and consequences of fragility. Although the number is slightly declining, the Heidelberg Institute for International Conflict Research (HIIC) counted over 90 active conflicts in sub-Saharan Africa in 2018, particularly in Somalia, South Sudan, Sudan, Nigeria, Dem. Rep. Congo and Mali.

Rich resources and biodiversity versus increasing climate change

Sub-Saharan Africa is particularly vulnerable to the effects of climate change. According to calculations by the Intergovernmental Panel on Climate Change (IPCC), a large part of sub-Saharan Africa faces an increased risk of drought (scenario RCP 8.5). Temperatures over most land areas are projected to rise 2 degrees Celsius by 2050 and 4 degrees by the end of the century. In addition, precipitation in southern and northern Africa is expected to decrease sharply in many places but increase in large parts of East Africa.

Coastal regions are expected to suffer from more storms and damage due to rising sea levels. Since the poorest parts of the population often live in vulnerable coastal areas, massive climate-induced migration is expected from rising sea levels. The same is expected for rural regions threatened by drought unless the supply of goods and services to the population can be maintained, the local economy promoted, and in particular, the productivity of the agricultural sector increased by implementing innovative and adapted methods. Although the importance of biodiversity for food and agriculture is largely recognised internationally today, there is often a lack of political will to promote the use of local, indigenous or traditional crop varieties and animal breeds and to integrate them into climate change mitigation and adaptation plans and strategies.

African politics will have to confront these challenges in addition to the increasing demand of African countries for energy. To prevent energy from being generated from fossil fuels, investments are needed for a “green” sustainable economy. This is an opportunity for innovative local companies to invest in and promote the production and distribution of renewable energies such as photovoltaics, bioenergy, wind and hydropower.

POPULATION ON THE MOVE

Demographic changes and mobility are particular challenges for sub-Saharan Africa. The population is projected to double in the next thirty years, and the social composition is very young. Urbanization is on the rise, partly because young people from rural areas are migrating to cities in search of a living. This also creates opportunities for sustainable development.

Population growth

UN forecasts predict that the population of sub-Saharan Africa will nearly double by 2050, from 1.1 billion today to 2.1 billion by 2050. At 2.6 percent, the growth rate is above average but has fallen slightly since 1980. UN forecasts expect it to fall to 1.2 percent by 2075 (Fig. 4).

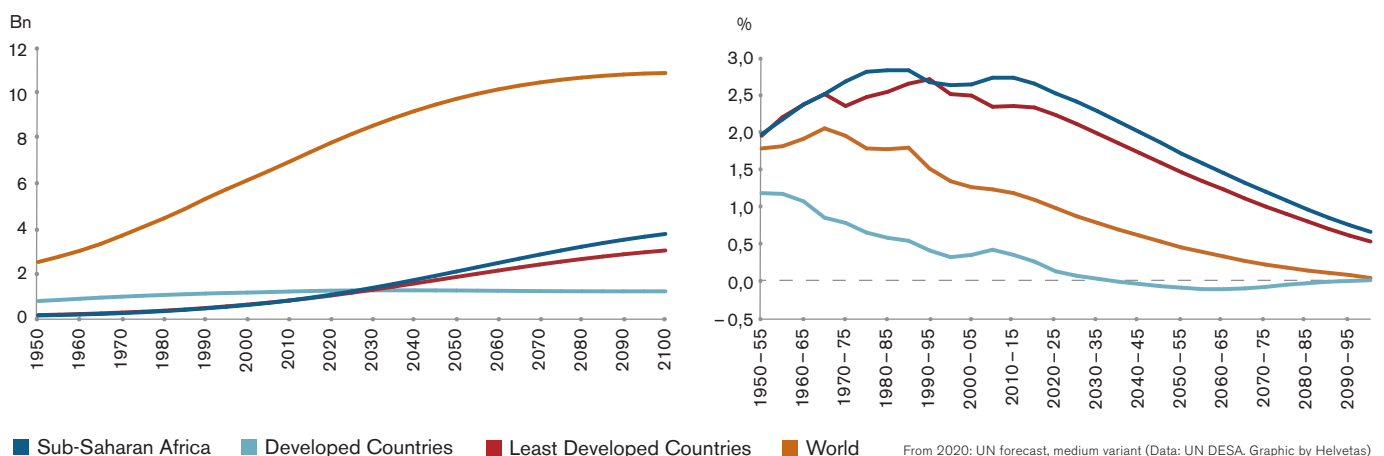
Population growth is determined by four factors: life expectancy, infant mortality, fertility rates and the average age of the population (see box). Thanks to improved health care in recent decades, infant and maternal mortality has declined. This increases both life expectancy and the population size. While slowly decreasing fertility rates slow down the growth effect, the high and still increasing number of young women has the opposite effect. Only when higher life expectancy and lower fertility rates change the age pyramid will growth decline. But the best way to prevent large and unplanned population growth is to educate girls and young women.

Growth forecasts nourish false notions that a high population density will lead to large migration movements to Europe. But Sub-Saharan Africa currently has an average population density of around 50 people per square kilometre, albeit with strong regional differences. To provide comparisons: the population density in South Asia is 380, in Switzerland 212, in the EU 121, and worldwide 60 people per square kilometre.

Age structure and the demographic dividend

Sub-Saharan Africa has the youngest population in the world. Almost half are under 15 years old, and only three percent are over 64 years old. According to UN forecasts, the proportion of the working population will increase considerably and that of children will slowly decline. The proportion of people over 64 years old will largely stagnate (Fig. 5).

Fig. 4: Population development in billions and in percent 1950–2075



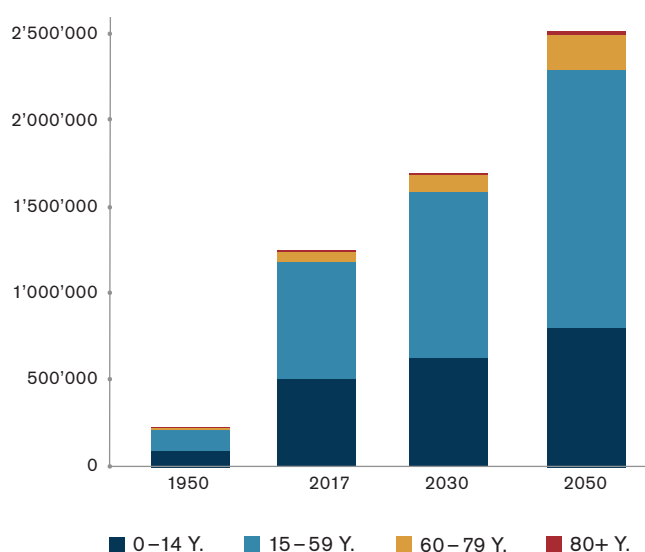
The young population will be the deciding factor whether it is possible to overcome poverty, fragility and conflict so that people can live self-determined lives in prosperity and peace. This is by no means an easy goal, but it is also not unrealistic. The prerequisite for this is a favourable age structure: a large, young and well-educated working age population with fewer children and elderly people. This demographic bonus is transformed into a demographic dividend, i.e. into an economic gain, if these employable people actually can acquire gainful employment. To achieve this, however, today's young generation must be able to receive a good education, learn a profession, find a job and have access to a functioning healthcare system: all factors that would also slow down population growth.

Migration and forced displacement

According to UN statistics, migration includes all people who do not have the nationality of their country of residence, regardless of their status and motive for being there. In 2017, these global migration statistics included 36 million African migrants (14% of global migration). Of these, some 20 million lived within Africa and about 9 million in Europe; for comparison: there are 106 million Asian migrants, 63 million of them within Asia and 20 million in Europe. The UNHCR counts as forced displacement all people fleeing persecution, human rights violations, armed violence, expulsions or ethnic cleansing. Forced displacement also includes internally displaced persons. In 2018, there were 71 million people who had been forcibly displaced worldwide. A third of them were in sub-Saharan Africa, particularly from the Dem. Rep. Congo (5.2 million), South Sudan (4.1 million), Somalia (3.6 million), Ethiopia (2.7 million), Sudan (2.6 million) and Nigeria (2.4 million).

Migration primarily involves intra-African movements (Fig. 6) and is driven by different push-factors: rapid growth of the population and labour force that cannot find adequate jobs; fragile statehood, authoritarian regimes and ethnic conflicts; but also regional economic decline and the dismantling of the public sector as a result of structural adjustment measures; poverty; and, not least, environmental pollution and the effects of climate change. Above all, migration stands for the search for livelihood or protection. Only a disappearing small minority tries to reach Europe via the Mediterranean Sea. The goal is to

Fig. 5: Africa's population by age groups 1950 / 2017 / 2030 / 2050 (in thousands)



Data: UN DESA. Graphic by Helvetas

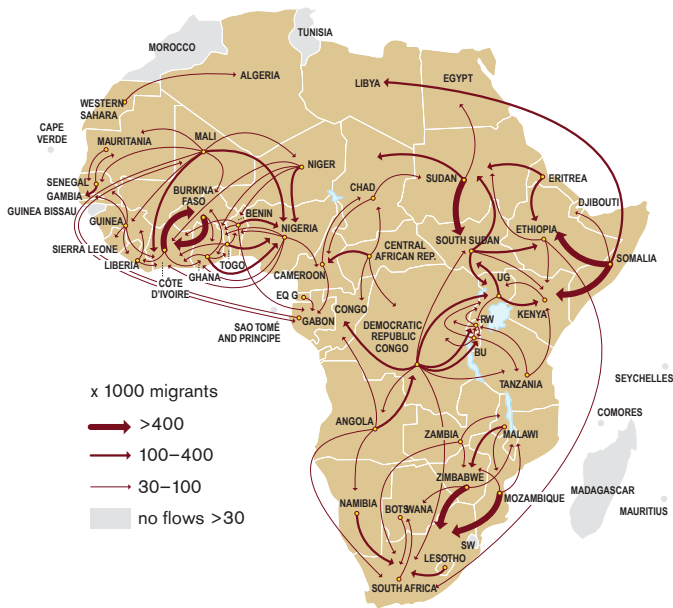


Internally displaced persons in Jonglei State, South Sudan

live in secondary or large cities that radiate a great transformative power. However, migration often leads into informal urban settlements that are adjacent to, but strictly separated from, affluent neighbourhoods. Migration can, however, be a vehicle for urban development, since many migrants want to remain connected to their places of origin and contribute to poverty reduction there. This results in considerable production and employment potential in the (informal) urban sector.

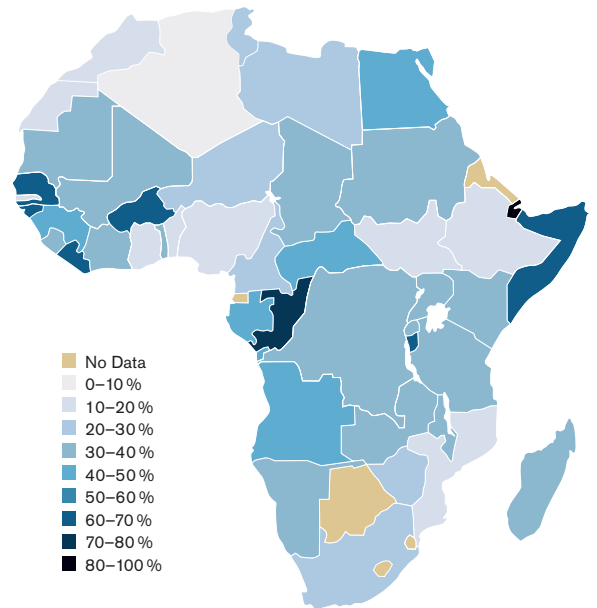
Demographic data	life expectancy	Infant mortality per 1,000 births	fertility rate	average age
World	72	29	2,4	31
Developed countries	79	5	1,6	41
Developing countries	71	34	2,6	29
sub-Saharan Africa	61	52	4,8	19

Fig. 6: Major intra-African migration (2015)



Source: African Studies Centre Leiden

Fig. 7: Degree of urbanization (2015)



Source: Brookings/World Development Indicators (World Bank)

Urbanization

Sub-Saharan Africa's degree of urbanization is around 40 percent, with considerable regional differences (Fig. 7). By 2035, a majority of Africans will live in cities: mostly secondary cities in rural areas. These secondary cities usually have sufficient land to accommodate small and medium-sized industrial or agricultural enterprises that create local added value. They can act as important regional market cities in trade, culture and education, and they reduce migration to megacities. Secondary cities are important for connecting rural and larger urban areas and have the potential to play a more effective role in inclusive and equitable regional development. Yet the development potential that they offer often goes unnoticed and unplanned. In addition to secondary cities, sub-Saharan Africa now has around 50 cities with over one million inhabitants and several megacities with over 10 million inhabitants. By 2030, an urban coastal belt from Abidjan to Lagos with over 50 million people is expected.

Urbanization is irreversible and will likely continue. Challenges associated with it could be addressed in urban multi-stakeholder coalitions in which representatives of politics, administration, the private sector, science and civil society jointly develop economic, social and ecological goals and measures in line with the New Urban Agenda of the UN Conference Habitat III from 2016. This multi-stakeholder dialogue is urgent, as urban infrastructures and services cannot keep pace with the growing population today. More than half of the urban population now lives in slums, and only 40 percent have access to

adequate sanitation facilities. Waste management and water supply pose immense problems for municipal administrations. These challenges are exacerbated by unsustainable consumption and production patterns, loss of biodiversity, environmental pollution and the effects of climate change. Additionally, segregation and marginalization lead to an increase in social inequality.

The growth of many African countries is based on the commodity sector. Profiteers from this sector concentrate their expenditures on cities to increase the demand for consumer goods and services. The trend towards consumer cities (rather than production cities) means that migrants often work in unskilled jobs in the informal service sector. Cities are overcrowded rather than dense due to infrastructure deficits. They are fragmented rather than networked, without interconnected areas or reliable transport infrastructure. They are expensive for households and businesses due to high living, housing and transport costs. A manufacturing industry hardly develops, companies mainly produce locally demanded goods and services with little added value. With the exception of products for the construction industry, most industrial goods are imported from abroad. Without a dynamic and sustainable industrial sector, economic growth in cities and thus employment growth will remain limited.

ECONOMIC REALITIES AND OPPORTUNITIES

The working population is expected to rise from its current 705 million people to one billion by 2030. At the current growth rate of the labour force, as many as 20 million additional decent jobs will be needed each year in both the informal and formal sectors. This will require sustainable economic growth and socially and environmentally sound investment in education and employment.

Despite its economic and political success, sub-Saharan Africa is still marked in many places by unemployment, the subsistence economy, precarious working conditions and poverty. To overcome this, the economy needs a transformation that includes diversification and increased productivity, a sustainable industrialization strategy, and policies that ensure that increased prosperity benefits the entire population.

Challenges and opportunities

The growing demand for industrial and agricultural goods calls for an economic policy for building the formal and informal sectors. It should focus on technological improvements while responding to the needs of the population. Since goods such as food, water and energy come predominantly from rural areas, sustainable policies must first focus on creating value and increasing productivity in those sectors. An environmentally friendly, sustainably modernized agricultural sector that includes family farms and self-initiated farmers' organizations can ensure food security and enable people in rural areas and secondary cities to lead better lives. But this agricultural strategy will also increase the pressure on land, water and natural resources and threatens biodiversity. In addition, economic growth is at odds with decreasing climate stability. Simultaneously, the risk of violent conflicts over increasingly scarce natural resources is increasing.

Domestic companies are now investing in promising business areas, as are foreign companies and investors, including those from the African diaspora. Information and communication technology (ICT) is gaining in importance and contributing to regional integration. Thanks to digital networking, numerous companies are active in many national economies and are committed to clean energy, transport and communications solutions (such as Internet and mobile communications). Innovative digital products enable access to online education and health services or



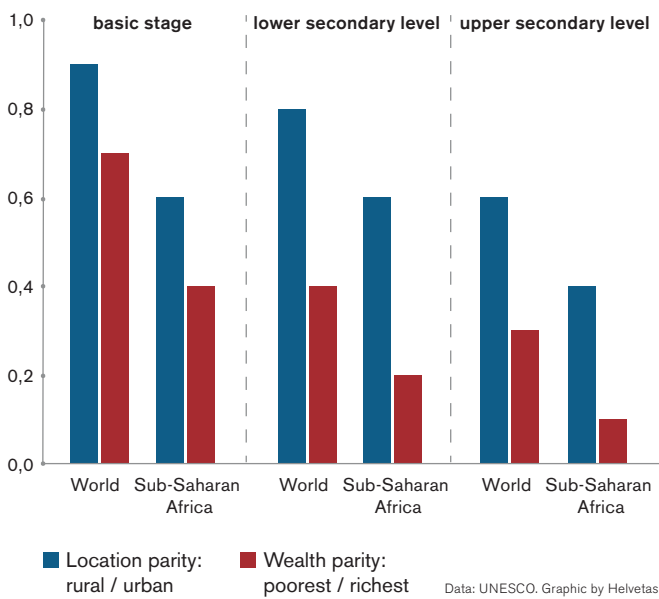
kLab, an open, innovative technology hub in Kigali, Rwanda

improvements in the agricultural sector, for example with apps for weather-adapted cultivation methods. However, this development could deepen the digital divide, reduce the number of jobs and thus create more inequality if investments in new skills are not made.

Other business sectors can also have a remarkable impact on employment for example the development of "soft tourism" or a successful positioning as a Business Process Outsourcing destination thanks to locational advantages such as access to English- or French-speaking young people with a high level of education, low labour costs and time zone parallelism with Europe. Furthermore, the commodities sector will remain important while respecting human and labour rights and environmental standards.

The African Union is focusing on developing a pan-African internal market to prepare for this economic transformation. At the end of May 2019, the African Free Trade Agreement came into force, which was approved by all AU members except Eritrea. It aims to create a customs and monetary union with a common market based on a developed infrastructure, possibly with the "Afro" as the

Fig. 8: Importance of location and wealth for school access



common currency (to be introduced in 2028). This would create the world's largest free trade area including an economic output of three trillion US dollars and one and a half billion people. Social and ecological minimum standards have not been addressed in the agreement, however.

Formal and informal economies

Investing in business sectors mentioned above could create millions of jobs in the formal sector. The prerequisites for this, however, depends on successful combatting corruption, removing regulatory hurdles, and creating appropriate social and ecological minimum standards. This will also strengthen the informal sector, which accounts for around 60 percent of the economy in sub-Saharan Africa. The informal sector includes qualified work such as private manufacture and sale of products and providing services or repairs. It also includes street markets, transport and most of the agricultural sector. These are often traditional family-run businesses. The informal sector is dynamic, complex and resilient and includes many innovative and flexible companies, whether in agriculture, information technology, the service industry or tourism.

The formal and informal sectors interact closely and together form the pillars of sustainable development. The informal sector provides services for the formal sector and offers a flexible labour market for surplus labour. Formalising it, as propagated by growth-oriented institutions, would increase social inequality: despite some benefits, a majority of the population would remain excluded. Effec-

tive economic and political intervention thus presupposes that all actors – public and private, formal and informal – are able and motivated to perform efficaciously. This would require investment in education, especially in rural areas, where almost 60 percent of the population lives.

School education and life skills

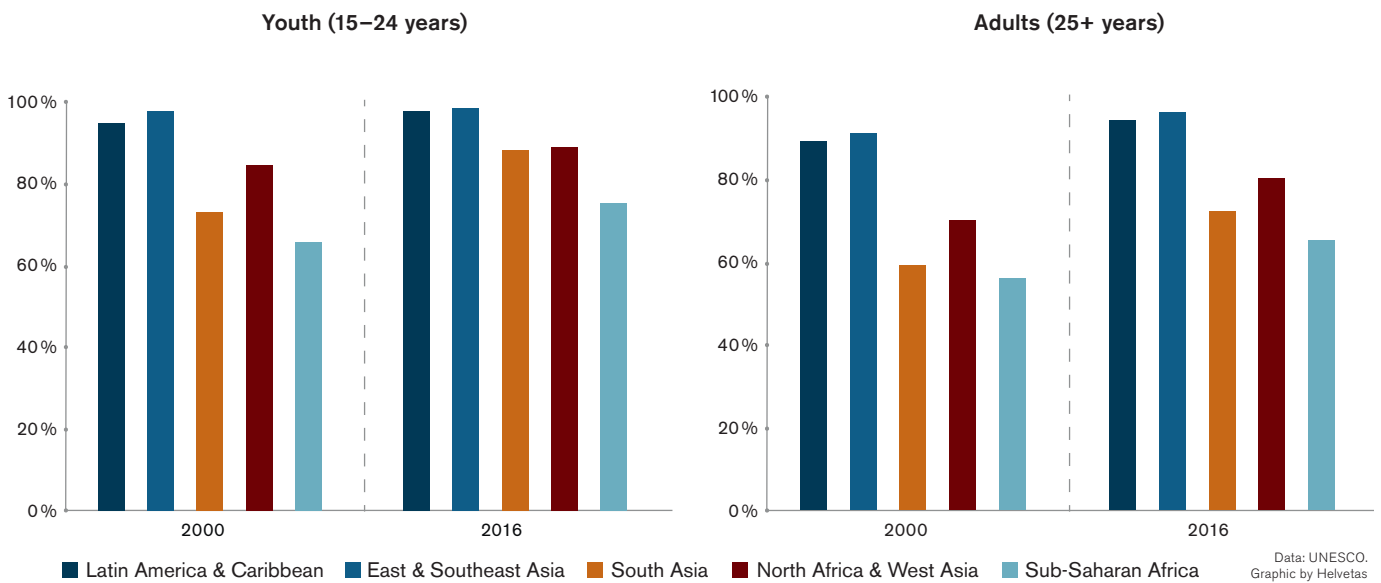
Basic and vocational education and training are drivers of economic, political and social development. They contribute to equal opportunities and social participation. However, sub-Saharan Africa has the lowest enrolment rates in the world. According to the World Bank's Human Capital Index 2017, the lack of investment in education and health is the reason for up to 40 percent of the losses of sub-Saharan Africa's productivity potential.

Providing pre-school for early childhood development is an essential prerequisite for the success of children's schooling. Investments in the early years bring some of the highest returns for families and societies. At pre-school, children learn their first life skills, for example with regard to safety, protection, health and nutrition. Pre-schools create a basis for lifelong learning.

In addition to imparting knowledge, school education teaches key competences – but 20 percent of children between the ages of 6 and 11 in sub-Saharan Africa are not enrolled in school. The figure increases to over 30 percent for 12- to 14-year-olds and almost 60 percent for 15- to 17-year-olds. In addition, only 40 percent of children enrolled finish primary school, and over 85 percent do not reach the minimum level of literacy. The situation is particularly precarious for girls. Urgent problems are:

- **Poverty and exclusion:** income and place of residence are decisive for school enrolment rates (Fig. 8). In rural areas poor children often have no access to school, or they must work in agriculture, as street vendors or as cheap labourers. Parents lack the money needed for school materials, or the school language is not the mother tongue. Further exclusion factors include traditional role assignments for girls, ethnicity, conflicts and forced displacement.
- **School shortcomings:** many schools lack qualified teachers and teaching materials, especially in remote and conflict areas. Classes have 40 or more children, the quality of teaching is bad and the infrastructure (drinking water, electricity, sanitary facilities) is poor. The situation is even more difficult when children are exposed to traumatic experiences such as disasters, violence, sudden deaths of relatives or separation from a familiar environment.

Fig. 9: Literacy rate by world region, 2000/2016



- Budgets:** On average, only 17 percent of public spending goes towards education. Of this expenditure, nearly 80 percent is allocated for further education for 18- to 22-year-olds. Only about 10 percent goes towards primary schools and 10 percent towards secondary schools. Not even a third of the countries provide nine years of free, compulsory schooling.

Vocational training for the formal and informal economy

Shortcomings of school education create difficulties in providing successful sustainable vocational training: In 2016, sub-Saharan Africa had the lowest literacy rates in the world (Fig. 9).

Formal and non-formal vocational education and training imparts important competences, preferably in a dual form by combining theoretical and practical knowledge. It provides school knowledge plus key competences, as well as technical and business skills. A formal sector that offers and develops training places in consultation with training institutes is needed to provide vocational education. The private sector and administration are dependent on qualified workers produced by these education programs.

Informal and traditional apprenticeship training is widespread, with the latter transforming into informal training in many places due to specialization and the increasing division of labour. Apprentices acquire their qualifications in the workplace, but trainers may be unwilling or unable to incorporate new knowledge and technology into teaching. Nevertheless, informal apprenticeship training is valuable and needs to be strengthened. It provides more than just manual skills and can give young people in urban centres and rural areas a perspective for employment in the informal or formal sector.



Makeshift primary school for students of poor families in Harare, Zimbabwe

Employment and labour market

The demands of the labour market, which 15 to 20 million trained young people crowd into every year, are changing, also in the informal sector. Some jobs will disappear or be reduced, while others must be transformed and maintained with adaptable new technologies and training. New forms of work are emerging that depend on opportunities from informal education. Many workers in the informal sector will need to improve their skills through further training or retraining. Some can achieve this through the market, but others will need help from the public sector or NGOs. Programmes can specifically support young people, women and other disadvantaged groups.

All forms of vocational education and training – formal, non-formal and informal – are economically relevant and require support from the private sector, the state and society. To this end, they must be demand-oriented, based on the needs of the labour market and the needs of young workers: work and vocational training must be closely linked (Fig. 10). Here, international cooperation can provide valuable impetus. At the same time, the private sector must be required to maintain or enforce decent working conditions. According to estimates, about 70 percent of young workers today live in poverty as “working poor”.

Forms of vocational training

formal

state-regulated, certified vocational training, geared to the formal sector, sometimes too strongly oriented towards the imparting of theoretical knowledge, neglecting practical skills.

non-formal

vocational training outside the state-regulated education system, without certification but analogous to formal vocational training, systematic in terms of learning objectives, duration and means, with learning venues, curricula, professional teachers/trainers.

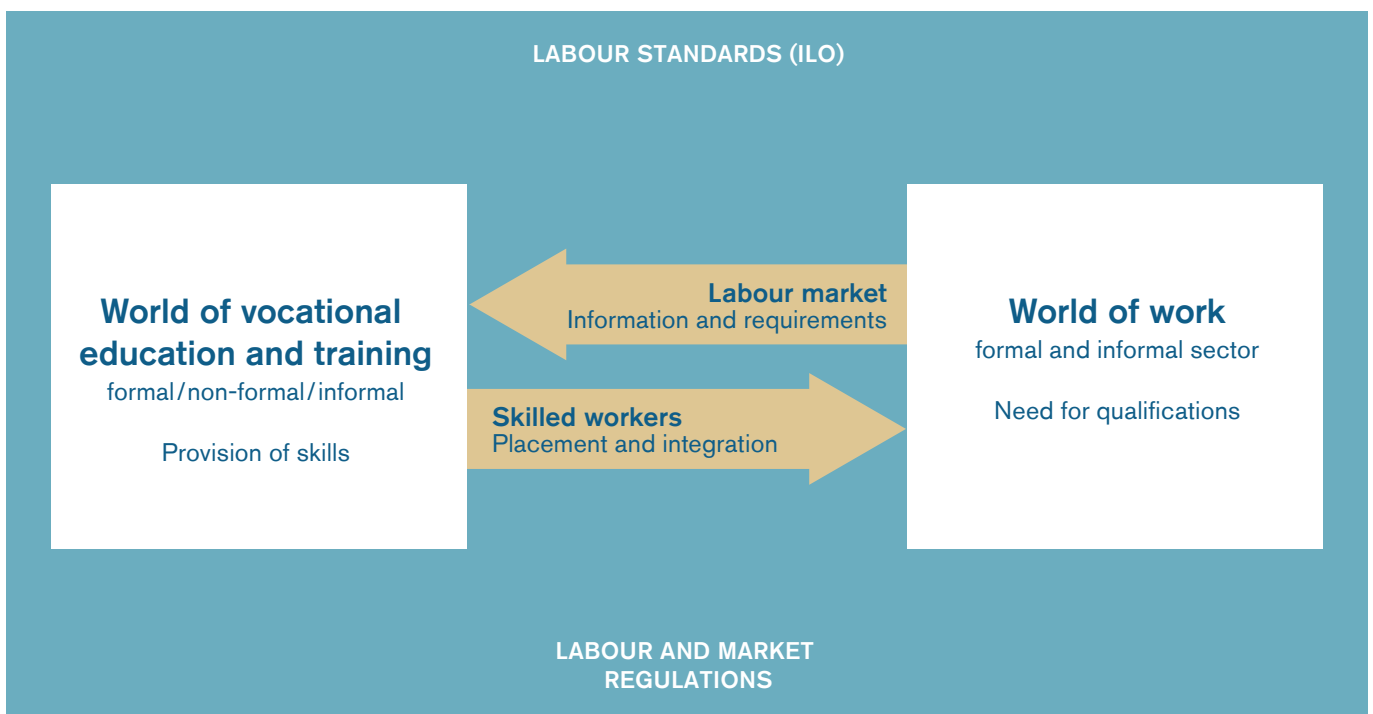
informal

apprenticeship training in small enterprises, with proof of the ability to practise the profession learnt, often in combination with traditional apprenticeship training.

traditional

training in family businesses, transferral of skills from father/mother to children or other close family members; in addition to vocational qualifications, also includes “moral” education.

Fig. 10: Interaction between vocational education and training and the world of work



Graphic by Helvetas



© Helvetas / Simon B. Opladen

Young entrepreneur and trainer in her own “Sahilemariam & Fitfite Men and Women Modern Tailoring Shop” in Bahir Dar, Ethiopia

Entrepreneurship

Although they have vocational training, many young people work under precarious conditions or try in vain to find a job. For them, setting up a small business can provide a way out of poverty. In order to be successful, entrepreneurial initiative and business management skills are needed, which must be imparted within the framework of vocational training.

Business start-ups, however, often fail to obtain the necessary start-up loans, sometimes because of underdeveloped banking systems but above all because of difficulty in providing the collateral required. This collateral can be land owned in rural areas, but inadequate land rights, lack of land registers and land disputes are often obstacles to proving land ownership. Obtaining loans is particularly difficult for individuals from the informal sector, as they often do not meet the requirements of financial institutions. This is not the case when they join forces with cooperatives: small loans obtained in this way, for example, can turn an informal street vendor, who earns the equivalent of two francs a day from a basket of tomatoes, into an (informal) businesswoman with a fixed market stall through which she earns five to ten times the former daily income.

Entrepreneurs have the potential to contribute to the sustainable economic and social development of their countries. They find innovative solutions to development problems, create perspectives, and create new products and services that can be used both nationally and internationally. Provided they comply with minimum social and ecological

standards, they can contribute to a better standard of living for poor parts of the population who find employment, for example, in tech start-ups or supplier companies.

China's investments

Africa's economic relations with industrialized and emerging countries have increased sharply over the past two decades. China's involvement in Africa is growing rapidly, especially with investments in infrastructure such as railways, power stations and roads. China is focusing on improving access to raw materials, growing consumer goods markets and possible production locations for Chinese companies. In 2016, China's direct investment in Africa amounted to 36 billion US-Dollar, three times that from the EU. China's share of Africa's imports grew from 6 percent in 2000 to nearly 23 percent in 2016, while the EU share declined from 56 to 38 percent over the same period.

With its “Belt and Road Initiative”, which maritime part leads from Asia to Europe via East Africa and includes massive investments in infrastructure, China's influence on sub-Saharan Africa will increase further. However, it remains to be seen whether this will also lead to significant employment for the local population and contribute to the sustainable development of the continent.

CONCLUSIONS:

FIELDS OF ACTION FOR TRANSFORMATION

A social and economic as well as political transformation is needed to realize sub-Saharan Africa's development potential. The following five fields of action are at the heart of this process. Their implementation presupposes democratic cooperation between governments, private sector and civil society. The UN "Agenda 2030 for Sustainable Development" and the "Agenda 2063: The Africa We Want" of the African Union serve as the basis for transformation through cooperation.

1. Enforcing Good Governance

Many states are marked by weak statehood and autocratic power structures. However, a successful transformation requires a stable political framework with democratically legitimized governments.

- No transformation is possible without good governance. This includes rule of law and equality before the law, decentralization of politics and administration to the local level, democratic structures with an open, pluralistic society, an independent civil society, and an administration that guarantees the population access to state services and protects their property rights, including traditional land rights. Governments must be accountable, act efficiently, competently and transparently, respect human rights and fight corruption.
- For such a transformation, the first task for governments must be to establish and expand public infrastructure. On the one hand, this requires investment in technical infrastructure: in a secure and cross-border transport system (road and rail networks), in an efficient communications system (mobile communications, Internet), in comprehensive access to clean energy, in water supply and – with special attention to urban agglomerations – in a functioning waste management system. On the other hand, social infrastructure must be guaranteed. This includes an education and health system accessible to all, social security models adapted to the current context, and cultural facilities, among others.
- This transformation requires fair and complete tax and levy systems so that governments have the means to invest in a sustainable future. Efficient and assertive tax authorities are needed to record the business practices of international corporations as well as the assets and revenues of local companies and elites.



Meeting of the school committee in Kalana in the Cercle Yanfolila/Mali

2. Strengthening Inclusive Economies and pan-African Trade

Sub-Saharan Africa has the potential to make its economy inclusive and employment-effective, to orient it towards its own growing market and to promote pan-African trade.

- The core of the transformation is an inclusive economic policy that supports both the formal and informal sectors, focuses on technological and job-creating improvements, and at the same time takes the needs of the entire population into account. The focus for transformation should be on investments in information and communication technology (ICT), soft tourism and sustainable agriculture as well as on the promotion of business process outsourcing. At the same time, the raw materials sector must be made socially and environmentally compatible. The promotion of entrepreneurial initiatives in the ICT sector makes it possible to exploit the digital potential for sustainable development. In addition, urbanization requires socially and environmentally compatible investments in the manufacturing and service indus-



© Helvetas / Simon B. Opiaden

Vocational training as bricklayer for young men and women in Dodoma, Tanzania

tries in order to satisfy the demand for goods. This also applies to small and medium-sized industrial or agricultural enterprises in secondary cities.

- Without establishing and expanding a pan-African market on the basis of the new African Free Trade Agreement, the desired transformation will not succeed. At the same time, however, increased pressure from developing countries and NGOs on OECD countries for fair international trade and investment agreements and measures to combat unfair and unlawful financial flows from developing countries is needed to resist the global race to the bottom in corporate taxes.



© Alamy Stock Photo / dimages / Jeremy Graham

Trucks line up to take the ferry across the river border from Zambia into Botswana

3. Promoting Young People and Their Potential

Large parts of today's young population are mobile, well informed, motivated and have great potential for sustainable development. The following points could increase this potential further:

- Offers for early childhood development should impart life skills to children and lay the foundation for their life-long learning ability. A good school education enables young people to succeed in social, economic and cultural life. Prerequisites for this are improved teaching quality and measures for higher enrolment rates and degrees. Experience has shown that investments in secondary education and equal opportunities for girls are worth the investment.
- Differentiated, practice-oriented vocational training is the "entry ticket" to the labour market. This training must continually adapt and develop to changes in the labour market and society. It needs to incorporate new knowledge, which also increases the need for further training and retraining. Some jobs will disappear, but new technologies will also create new jobs and transform others. These changes requires the ability to think ahead and requires flexibility from training institutes and ministries of education, as well as support from the public sector, NGOs and other agencies.
- Job-creating vocational education and training is based on the close cooperation between the "world of



© Helvelas / Fatoumata Diabate

Two women sell food products that they have learned to process in a vocational training course, in Bla, Mali

work”, which formulates its needs and provides market information, and the “world of vocational education and training”, which should train its graduates according to market demands. National strategies should support this interaction. International cooperation can provide valuable support.

- The creation of small businesses including start-ups is a promising step towards overcoming poverty, both in rural and urban contexts. Entrepreneurs create a variety of employment opportunities with their products and services. Success depends on the transfer of business knowledge and, in particular, access to start-up loans, including in the informal sector.
- Open and uniformly regulated pan-African passenger traffic and freight transport is conducive to the willingness of young people to be regionally mobile. Work or educational migration improves their career prospects, promotes innovation and knowledge transfer, contributes to the development of local and regional economic areas, strengthens tolerance and peace, and encourages the development of civil society structures. To this end, humane and secure conditions in accordance with the Decent Work Agenda of the ILO and the UN Global Migration Pact must accompany migration.

4. Empowering Women Economically, Socially and Politically

The economic empowerment of women is indispensable for development and poverty reduction, even if it does not necessarily lead to social equality.

- Co-determination in society and family, overcoming cultural barriers, gaining political opportunities, accessing information about women’s rights and employment perspectives beyond family care enable women to lead a self-determined life and thus counteract social and economic constraints to have many children.
- Education and vocational training are changing women’s traditional roles, unfolding perspectives and offering economic opportunities that contribute to social mobility and political participation. They can use their skills and freedom gained through education and reduced family size for employment and entrepreneurship. Well-trained and economically successful women are better positioned to actively determine their family planning.
- Women’s right to sexual and reproductive health calls for the expansion of the health sector and family counselling and planning. This includes providing information campaigns on health issues, basic medical care, vaccination campaigns and disease prevention, as

well as self-determined access to reproductive health services, sex education and contraceptives. Expanding these activities helps reduce infant mortality and lower fertility rates.

- Adapted social security systems are an important step for societies to prepare for the gradual ageing of the population. Children are becoming less important as a means of providing for old age, which means that birth rates are declining. Such systems must be applied in both the formal and informal sectors.

5. Increasing Climate Resilience

Whether from droughts, floods, storms or rising sea levels, sub-Saharan Africa is particularly affected by the effects of climate change. Strengthening resilience to these threats is a top priority. Adaptation and mitigation measures are also needed.

- Investments in a climate-sensitive infrastructure and in renewable energies must accompany research for further developing climate-friendly technologies. Wind farms and photovoltaics are forward-looking, as are low-cost solar panels for households and solar-powered schools and hospitals. Hydropower from dams to secure electricity supplies, on the other hand, is controversial when dam construction requires cutting down rainforests, resettling villages or destroying ecosystems.
- Coastal cities are increasingly threatened by storms and rising sea levels. Essential to countering the various risks is ecologically sustainable urban development and planning that prioritises sustainable land and resource use and ensures support to the population in the event of disaster. Where necessary, dikes, canals and tidal structures that close at high tide and drain water during heavy rainfall can protect particularly vulnerable urban areas.
- Priorities for rural regions threatened by drought should be increasing the productivity of the agricultural sector by using innovative and adapted methods, ensuring the supply of goods and services to the population, and promoting the local economy. Special irrigation systems and traditional crops can prevent erosion and maintain soil fertility. In addition, afforestation can halt desertification and protect farmland, for example by means of the “green wall” from Dakar to Djibouti adopted by the African Union in 2005 with the decentralised approach of supporting many small projects rooted in village communities and preserving existing tree populations.



Simple, affordable solar panels for single-family houses in Androfiabe, Madagascar

© Helvetas / Luigi Baldelli

IMPRESSUM

Published by HELVETAS Swiss Intercooperation
Endorsed by the Management Board on 22 August 2019.

Author: Geert van Dok
with contribution by: Zenebe B. Uraguchi
English translation: Jennifer Bertness
Editing: Rebecca Vermot
Layout: Susanna Zopfi, Marco Knobel
Photos: Andrea Peterhans
Printed by Künzle Druck AG, Zürich
Paper: RecyStar nature, 135 g/m²

Helvetas discussion papers address Swiss policymakers, public authorities, and civil society. Helvetas takes up topics relevant to development policy and makes recommendations on political action to development actors in Switzerland in relation to these topics.



HELNETAS Swiss Intercooperation

Weinbergstrasse 22a, CH-8001 Zürich

Tel: +41 (0)44 368 65 00

Berne office

Maulbeerstrasse 10, CH-3001 Bern

Tel: +41 (0)31 385 10 10

info@helvetas.org

www.helvetas.org