



MINISTRY OF FOREIGN AFFAIRS OF DENMARK

WHITE PAPER ON JOB CREATION AND SKILLS DEVELOPMENT IN AFRICA

I want to create hope for young people in Africa.

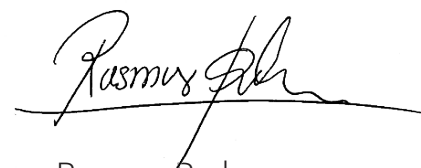
Africa is not only the poorest continent in the world, but also home to the world's youngest population. The large youth population constitutes a significant challenge for Africa. Every year, approximately 12 million young people enter the labour market – but what do you do when there are no jobs to be found? We must create jobs and hope for Africa's youth.

My thesis is that there is a need for more people with vocational skills. The young people are part of the solution. The solution is not necessarily education of long duration, but rather to consider more carefully the specific qualifications that are required in the labour market. This will allow young people to get a job more easily, or even create a job for themselves as entrepreneurs. The green transition represents new requirements but also opens up new opportunities. By ensuring that young people have the right qualifications, we can create jobs at the same time as contributing to the green transition and therefore create solutions that are mutually reinforcing.

However, before we begin to discuss solutions, we need to better understand the challenges and how they interrelate.

What key issues can be identified in relation to young people's access to upgrading their skills and their access to decent jobs? What should a skilled worker do if there are no jobs? These are difficult questions which have only become even more pressing in the light of the COVID-19 pandemic. It is estimated that 20 million African jobs will be lost in 2020 due to COVID-19.

In response to this, I have established a taskforce of specialists to investigate the challenges further. The taskforce has contributed to the analysis using Danish experiences as their starting point. I owe them my great appreciation for their commitment. In record time, they have delivered a thorough assessment of the most crucial challenges related to job creation and skills development in Africa. I will use this analysis to support the ongoing work.



Rasmus Prehn
Minister for Development Cooperation



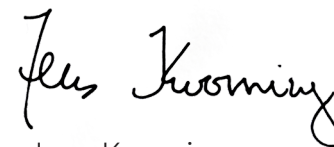
The Minister for Development Cooperation established the taskforce in May 2020. The taskforce has held a series of meetings to analyse the challenges related to job creation and skills development in Africa based on our knowledge and experience from Denmark as well as from the African continent. The outcome of our work is presented in this white paper.

The objective of the white paper is to highlight selected key challenges and compile the most important ones in an overall analysis. It has therefore been necessary to generalise across the African continent, in the knowledge that the challenges unfold differently in each country.

The taskforce includes representatives from Danish vocational schools, trade unions, private companies and business organisations. Each member of the taskforce has a unique insight into issues related to jobs, adult education, vocational training and skilled work. Denmark itself has a longstanding tradition of strong

vocational education created and developed in close cooperation with the social partners. The analysis of the taskforce has been nuanced through dialogue and knowledge exchanges with selected African partners, with input from the hard-working secretariat of the Ministry of Foreign Affairs.

Our analysis has confirmed the Minister's thesis: there is a need for more people with vocational training in Africa. We hope the white paper will serve as the basis for the future work of Denmark and Denmark's partners to identify concrete and locally anchored solutions that will benefit the youth of Africa.

A handwritten signature in black ink, reading 'Jens Kvorning'. The signature is fluid and cursive, with the first name 'Jens' and the last name 'Kvorning' clearly distinguishable.

Jens Kvorning
Chairman of the Taskforce

SKILLED LABOUR AND JOBS IN AFRICA

The analysis on the following pages demonstrates that Africa needs more skilled labour. And, just as importantly, that existing vocational education and training needs to be improved. The competences must respond to what is demanded in the labour market.

Each country has its own challenges, but there are plenty of examples where skilled labour could make a difference, for example insufficient use of solar, wind and hydropower to produce electricity, agriculture that does not provide sufficient yields, and crops that are far too often sold unprocessed, resulting in very low income for farmers and farm workers. More money is to be made by selling the processed end products, such as coffee or jam.

These are challenges that could be remedied by more and better qualified skilled labour.

However, focused technical and vocational education and possibilities for skills development on the African continent are far too often inadequate. Consequently, the workforce often does not have the required competences to get a job or start new businesses.

There are not enough jobs in the formal economy, so educating skilled workers is necessary, but not sufficient. What happens when there are not enough jobs? Up until now, attempts at transforming the informal economy have not been successful, as it continues to employ the large majority of the workforce in the African countries. The income earned in the informal economy is often insufficient, the working conditions are worse, and it is harder to get an education or an internship.

The lack of skilled labour is linked to more general problems. There must be demand for new skilled workers. Business competitiveness is hampered by poor roads, power outages, inadequate legislation, delays in the judicial system and a lack of access to finance. This applies to agriculture, manufacturing and services. Climate change, the socioeconomic consequences of the COVID-19 crisis and the rapidly growing population are factors that will further amplify these challenges.

All of the themes identified in the white paper include a number of challenges specific to women's opportunities for vocational education and training as well as decent employment.

SEVEN KEY CHALLENGES

- 1** Too few obtain a relevant education
- 2** Individual income is insufficient
- 3** Jobs are scarce and young people in particular have difficulty finding a foot-hold in the labour market
- 4** Working conditions on the labour market are poor
- 5** Women's opportunities are particularly challenged
- 6** Changes relating to climate and the environment challenge living conditions and job creation
- 7** Framework conditions for job creation and vocational education and training are inadequate



SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

On the following pages of the white paper, each of these issues will be elaborated upon.



TOO FEW OBTAIN A RELEVANT EDUCATION

The range of educational opportunities offered in Africa is too limited and inflexible to contribute to a skilled workforce in Africa. The quality is often poor, and the education is not up to date or aligned with the requirements of potential employers. The result is a mismatch between the qualifications offered by young people and those demanded by workplaces.

Vocational education and training is not in demand in Africa, and very few young people choose this path, as it is not considered prestigious. There is also a shortage of internships and apprenticeships in companies for young people enrolled in vocational education, and business owners lack the ability to supervise the practical training. There is a lack of opportunities for upskilling people who are already part of the labour market, and for these people to get a certificate proving their qualifications.

At formal educational institutions, the technical and pedagogical skills of the teachers are often so poor and the equipment available for training so outdated, that many young people complete their education without being ready to take on a job.

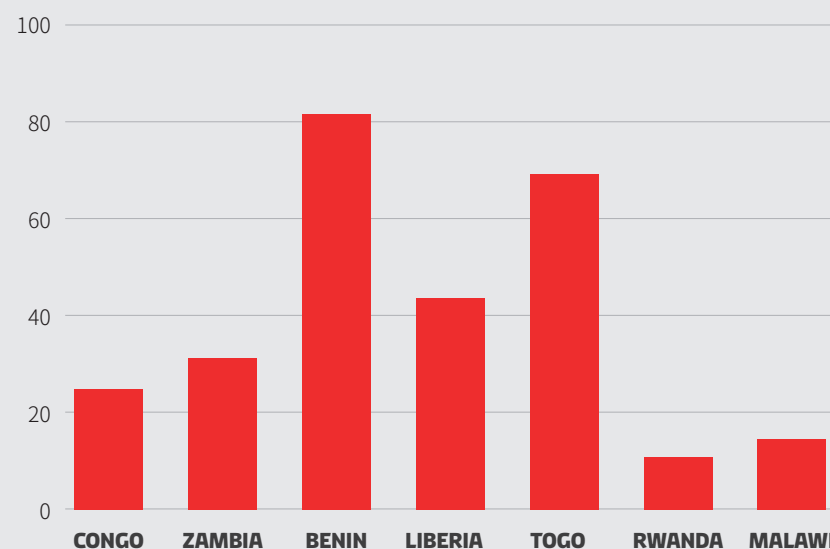
1.1 THE EDUCATION OFFERED IS INADEQUATE

The needs for vocational education and skills development of the workforce in Africa are manifold, both for the very young who are embarking on their education and for people who have been part of the labour market for many years. There is insufficient flexibility and innovation in the educational system to support this in many African countries. One specific challenge is reaching rural districts, where access to vocational education is particularly limited.

One of the major issues is a lack of formal certification of competences for people who have been in an apprenticeship or who cannot document their qualifications for other reasons. Furthermore, the offer of internships and apprenticeships is too limited.

YOUNG PEOPLE ENROLLED IN VOCATIONAL EDUCATION HAVE DIFFICULTY FINDING AN INTERNSHIP

Share of people aged 25-34 who have been in an internship or apprenticeship as part of their vocational education (%)



1.2 COMPANIES LACK SKILLED LABOUR

There is often a mismatch between the need for skilled labour of companies and the competences available in the workforce.

For larger formal companies as well as for the self-employed in the informal economy, this lack of skilled labour severely hampers opportunities to expand. At the same time, companies are not doing enough to offer a sufficient number of apprenticeships for young people enrolled in vocational training and thereby help them to gain a foothold in the labour market



54%

of employers in Sub-Saharan Africa state that access to skilled labour is a barrier

1.3 YOUNG PEOPLE DO NOT OBTAIN THE REQUIRED QUALIFICATIONS

The education systems do not to a sufficient extent provide a workforce with the required technical and vocational qualifications.

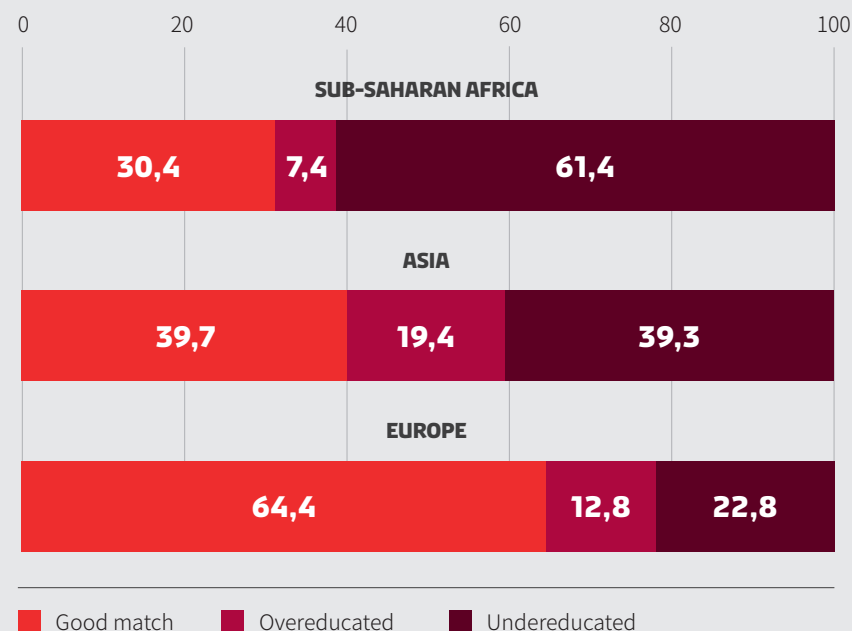
There is a lack of internships and apprenticeships in companies, which limits the supply of skilled labour with hands-on experience.

The workforce often lacks the personal and social skills (such as innovation, interpersonal skills and independent problem solving) that are also important for work performance.

Furthermore, the awareness of rights and obligations in the labour market is also low.

MANY AFRICANS DO NOT HAVE THE LEVEL OF EDUCATION DEMANDED BY COMPANIES

Distribution as a %



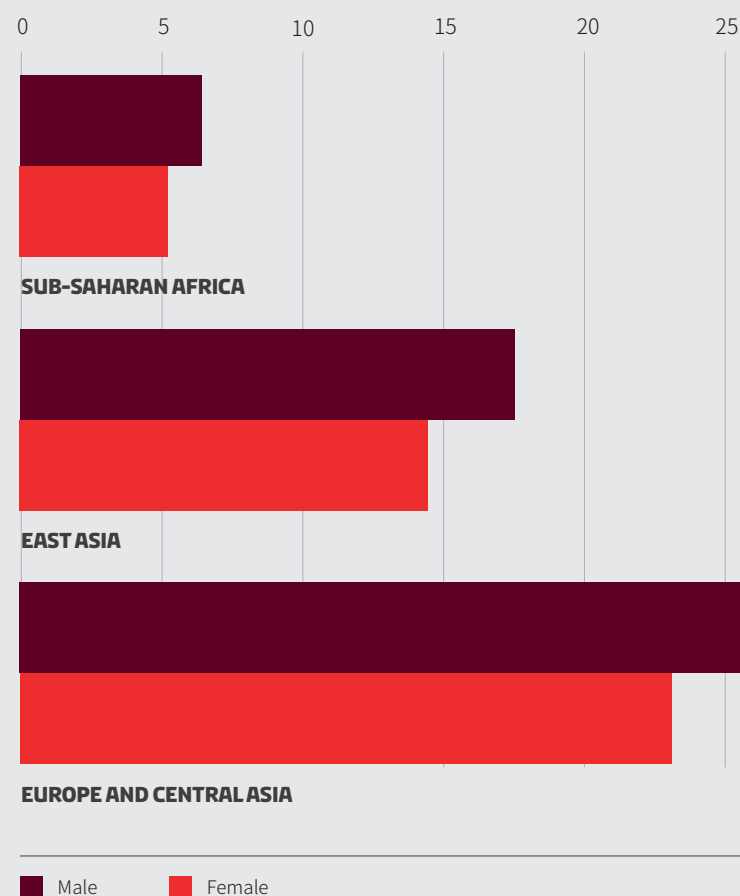
1.4 TOO FEW YOUNG PEOPLE OPT FOR VOCATIONAL EDUCATION AND TRAINING

Very few young Africans enrol in vocational education and training programmes, and girls are particularly underrepresented. In families that can afford to pay for their children's education, most choose an academic degree, as this is associated with greater prestige. This is despite the fact that it is often hard for university graduates to find jobs that match their level of education.

Furthermore, an academic degree often provides a potential admission ticket to a job abroad.

YOUNG AFRICANS DO NOT ENROL IN VOCATIONAL EDUCATION AND TRAINING

Share of young people in secondary education enrolled in vocational education and training programmes (%)



1.5 THE QUALITY OF EDUCATION IS TOO LOW

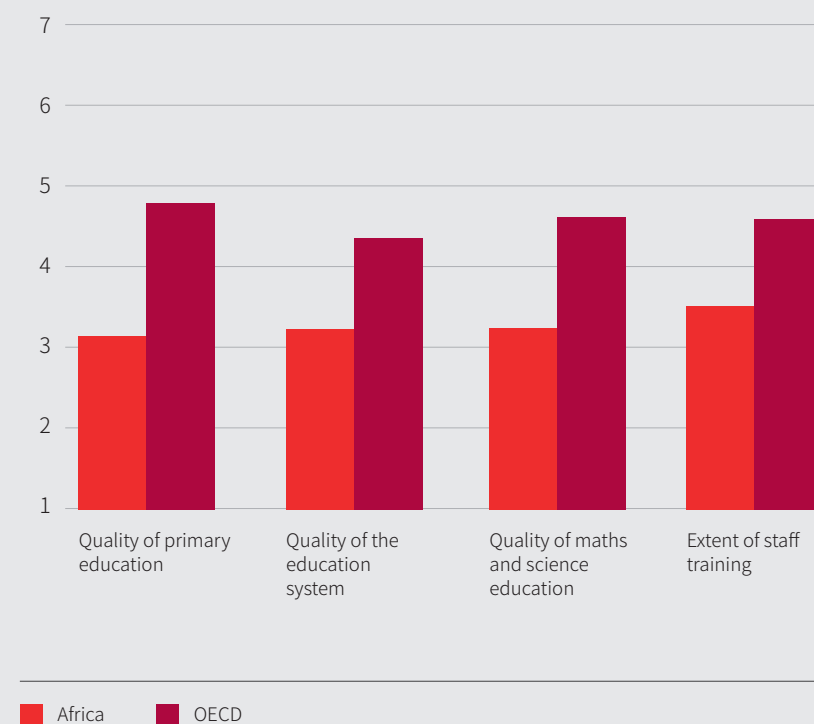
With regard to formal as well as informal education and training, the professional capacity of teachers (and masters) – didactic as well as technical – is in many cases lacking in quality. School curricula are often outdated compared with the requirements of companies.

Schools are rarely able to invest sufficiently in the equipment, materials, upskilling of teachers, apprenticeships and other concerns that are necessary to achieve the required good-quality practical teaching.

The poor quality of the teaching, the curricula and the physical environment, particularly in technical schools, impact the motivation for taking a vocational education, and partly explain young people's rejection hereof.

THE EDUCATION SYSTEMS IN AFRICA ARE LACKING IN QUALITY

Distribution on a scale of 1-7





INDIVIDUAL INCOME IS INSUFFICIENT

More than half of the working population in Africa earns so little that they have to live on less than 3 US dollars a day.

Many children need to contribute to the running of the household. Therefore, they do not get the basic school skills that would enable them to complete an education later in life. Moreover, obtaining an education is expensive in Africa, both in terms of the direct cost and the loss of income during the education.

Due to the lack of opportunities for formal employment, many end up in the informal economy, which employs 86% of the working population in Africa. Among other things, the informal economy is characterised by poor working conditions, low productivity and low wages.

Relevant technical and vocational training results in higher productivity. Therefore, education can help to increase incomes. It can also pave the way out of the informal economy – the higher the level of education, the greater the probability of finding a job in the formal economy. Vocational education and training plays a decisive role in this, as it can both provide an admission ticket to a paid job and an opportunity to start a one-man business in the formal economy, for example as a plumber or carpenter.

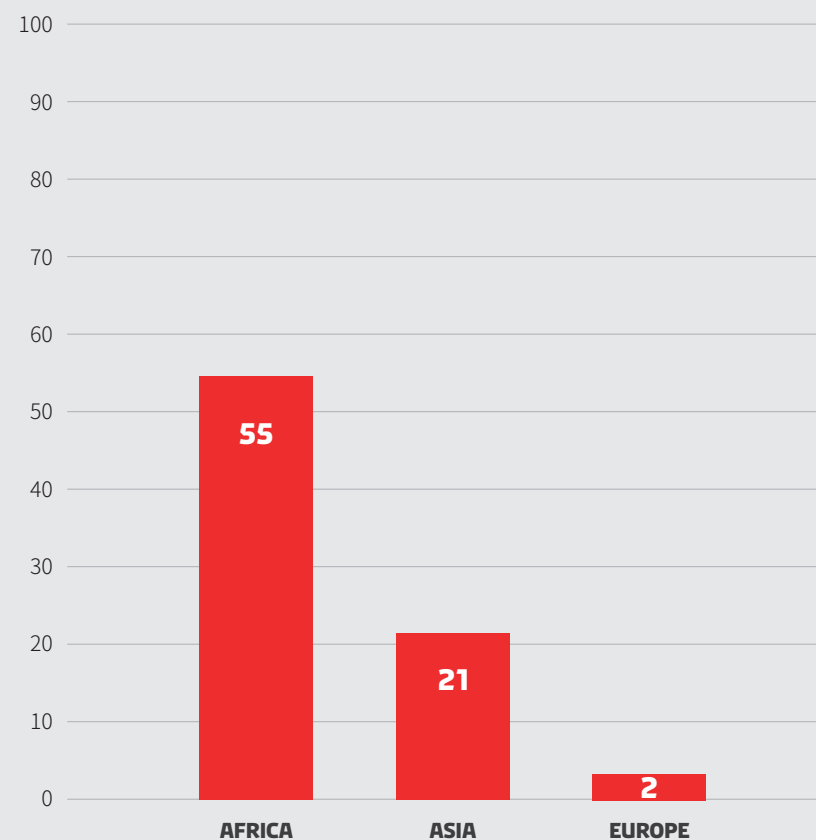
2.1 WAGES ARE TOO LOW

Official unemployment rates are low. However, 55% of the working population in Africa can be categorised as "working poor". They live on less than 3 US dollars a day and are unable to provide a decent life for their families. Women are overrepresented in this group.

A low household income means that children in these families may need to work. Therefore, they do not acquire basic school skills and will have difficulty completing a vocational education, which could otherwise have improved their prospects of finding a better-paid job.

MANY IN AFRICA ARE "WORKING POOR"

Share of working population that is poor (%)



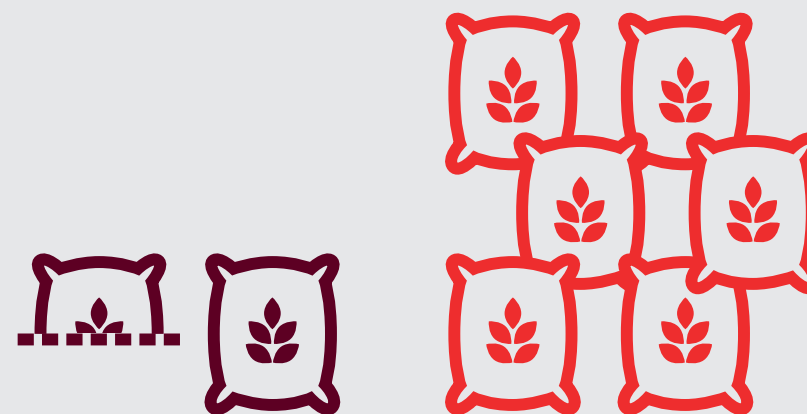
2.2 LOW PRODUCTIVITY

African economies struggle with low productivity, high costs and poor quality of final products.

This hampers the competitiveness of crafts, industry and agriculture, and ultimately inhibits economic growth and employment creation. At the same time, the low productivity in agriculture and enterprises means too little earning and inability to pay decent wages.

The informal economy, which employs 86% of the workforce in Africa, is especially challenged with regard to underemployment and low productivity.

AFRICAN AGRICULTURE IS NOT PRODUCTIVE



AFRICA

1.5 tonnes of cereal
per hectare

EAST ASIA

6 tonnes of cereal
per hectare

2.3 POOR CONDITIONS IN THE INFORMAL ECONOMY

The informal economy consists of employees, employers, contributing family workers and the self-employed, including in agriculture. Half of those employed in the informal economy are self-employed, often driven by necessity rather than an entrepreneurial spirit.

The informal economy is to a much greater degree characterised by low productivity, and a lack of regulation and registration. This results in poor working conditions and protection, as well as insufficient income opportunities.

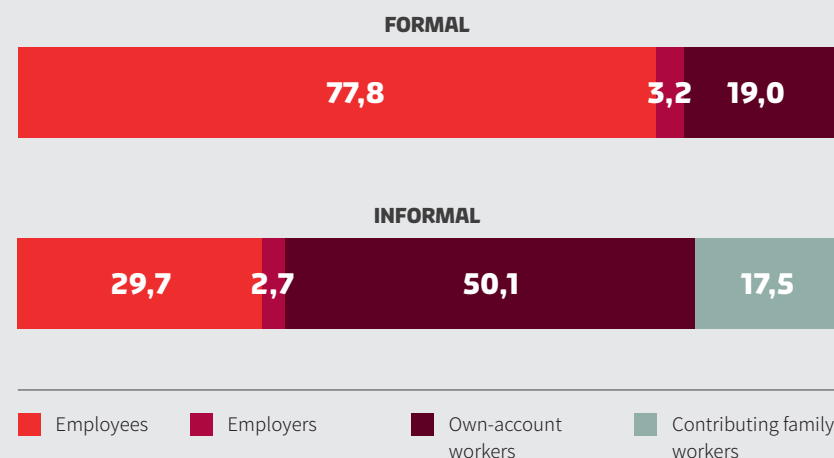
Women are overrepresented in the informal economy and are often employed in family businesses, receiving no individual income.

86%

of the workforce
is employed in the
informal economy

FEW PEOPLE HAVE A PAID JOB IN THE INFORMAL ECONOMY

Type of employment in the formal and informal economy in Africa (%)



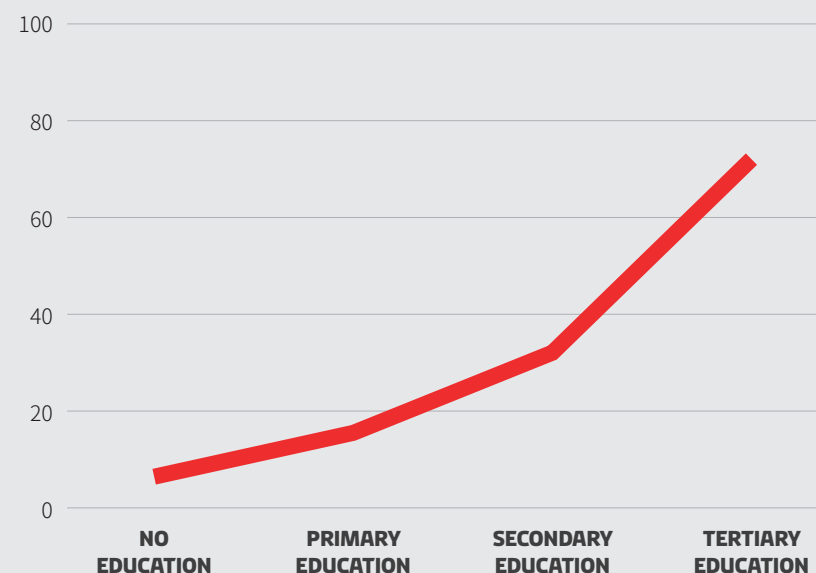
2.4 EDUCATION IMPROVES ACCESS TO FORMAL JOBS

95% of the uneducated workforce in Africa is employed in the informal economy. By comparison, 70% of people with a higher education are employed in the formal economy.

Not surprisingly, education is of great importance for finding employment in the formal economy.

THE HIGHER THE LEVEL OF EDUCATION, THE GREATER THE PROBABILITY OF EMPLOYMENT IN THE FORMAL ECONOMY

Share of employed in the formal economy in Africa by level of education (%)



70% of people with a tertiary education are employed in the formal economy

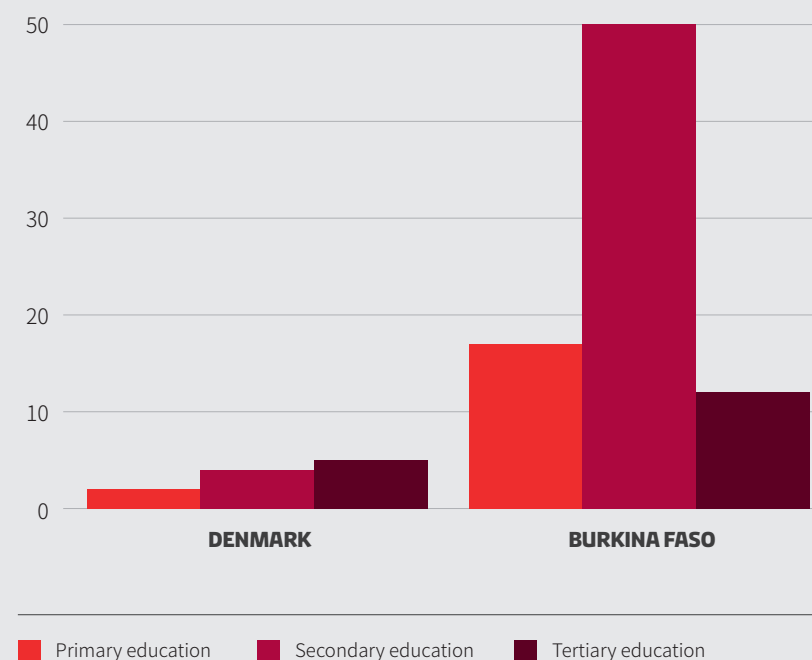
2.5 EDUCATION IS EXPENSIVE

In many cases, students – or their parents – must pay for their education. Add to this the loss of income while the student attends school, and the absence of public support schemes. Families often have to prioritise, so that only one or maybe two of the children are given the opportunity of getting an education. Boys are often chosen over girls. This means that the prospect of getting an education is limited for many children and young people.

In most African countries, the public sector is an important source of funding for technical schools. However, public funds do not to a sufficient extent find their way to individual schools, which are often underfinanced. Funding is thus a challenge, both for individual schools and with regard to expanding the education system to cater for the rapidly growing young generations.

IN BURKINA FASO, THE PUBLIC SECTOR COVERS ONLY HALF THE COST OF SECONDARY EDUCATION

Share of the cost of education borne by the student (%)





JOBS ARE SCARCE AND YOUNG PEOPLE IN PARTICULAR HAVE DIFFICULTY FINDING A FOOT-HOLD IN THE LABOUR MARKET

Africa is the world's youngest continent, with a large youth population. Creating hope for Africa's youth is crucial for the continent. There is a great shortage of employment, which hampers young people's prospects of a good life without poverty.

Employment can take many forms. It can be formal jobs in small or large companies, in agriculture, or activities in small informal businesses and family-owned agriculture – often with contributing family workers.

Companies are important for the creation of sufficient jobs, but many companies are lacking the skilled and qualified labour they need in order to expand. Furthermore, skilled workers are able to start new businesses and create more jobs.

The agricultural sector does not create enough jobs of sufficient quality, and the transition from agriculture to manufacturing and services is too slow.

The large youth population is a great challenge for African countries, but if we succeed in creating opportunities in the form of vocational education and training, then the youth will have the potential to be the basis for sustainable development.

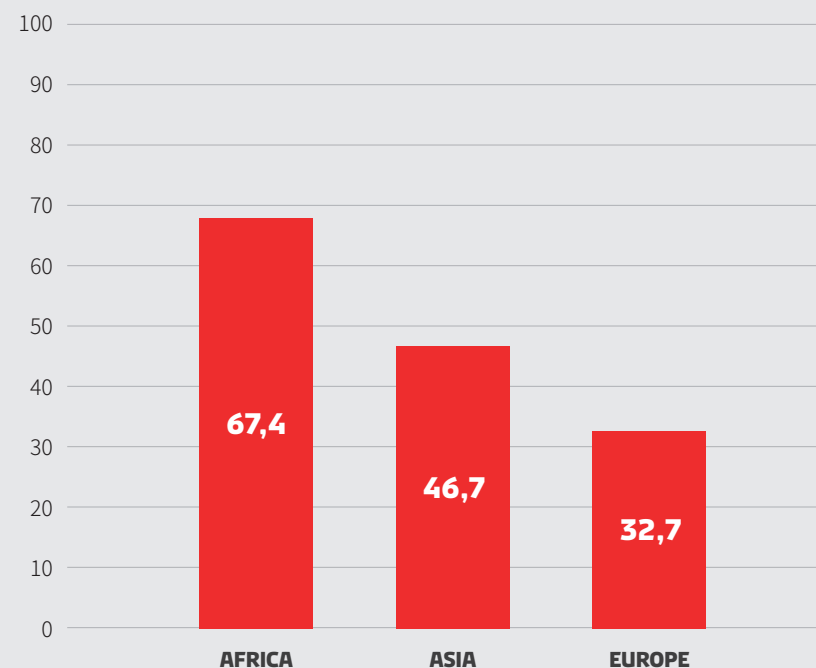
3.1 A GROWING NUMBER OF YOUNG PEOPLE

African countries have large youth populations and the highest population growth in the world. It is difficult to predict how many people will be born and die in the future, but projections estimate that, by 2050, 2.4 billion people will be living in Africa. That is twice as many as today.

The rapid population growth will result in immense pressure on the labour market and a great need to find education and employment opportunities for young people.

AFRICA IS A YOUNG CONTINENT

Share of the population under 30 years of age (%)



3.2 LACK OF EMPLOYMENT FOR YOUNG PEOPLE

Every year, at least 12 million young people enter the African labour market, while only 3 million new jobs are created. There is a massive need for employment for these large groups of young people.

In terms of finding a job, young people are often limited by insufficient experience, competences and networks. If they want to start their own business, they are limited, for example, by access to land, means of production and financing.



12 MILLION
young people enter the
African labour market
each year

Only
3 MILLION
new jobs are created

3.3 TOO FEW JOBS ARE CREATED OUTSIDE AGRICULTURE

In many African countries – especially the poorest ones – a large proportion of the population is employed in agriculture.

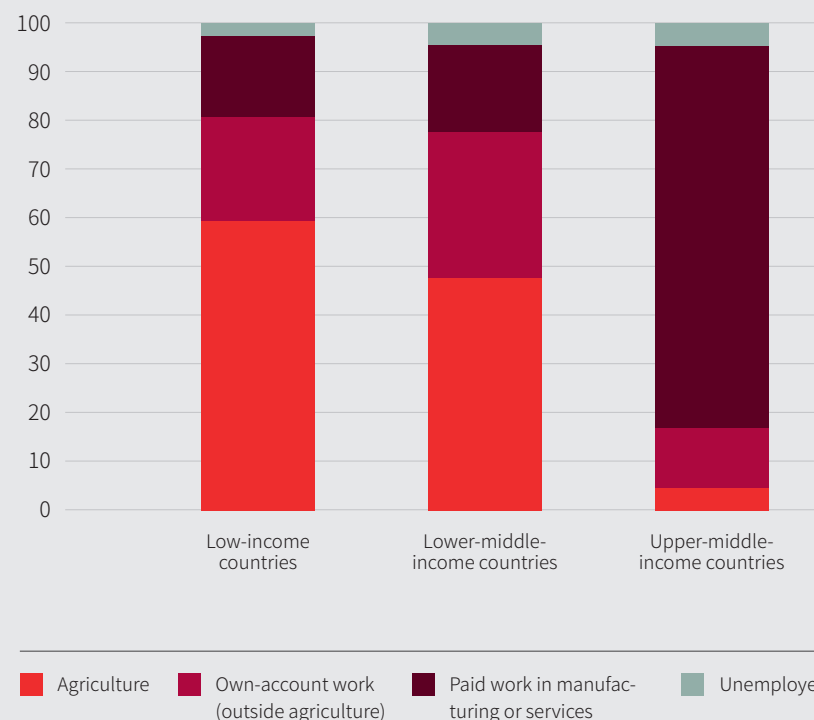
In these countries, productivity is often low, and a lot of primary agriculture is based on poorly paid and unorganised workers with little education. Too little is done to increase productivity and introduce new methods.

In addition to agriculture, too few businesses are involved in food processing. The degree of value addition to the agricultural production is thus limited, and there is untapped potential for creating skilled employment within food processing.

The manufacturing and service sectors, which could be a source of new jobs, are underdeveloped in many African countries due to a lack of qualifications in the workforce and too little investment and other inputs.

THE POORER THE COUNTRY, THE MORE PEOPLE ARE EMPLOYED IN AGRICULTURE

Distribution of employment in Sub-Saharan Africa (%)



260 MILLION
are employed in agriculture

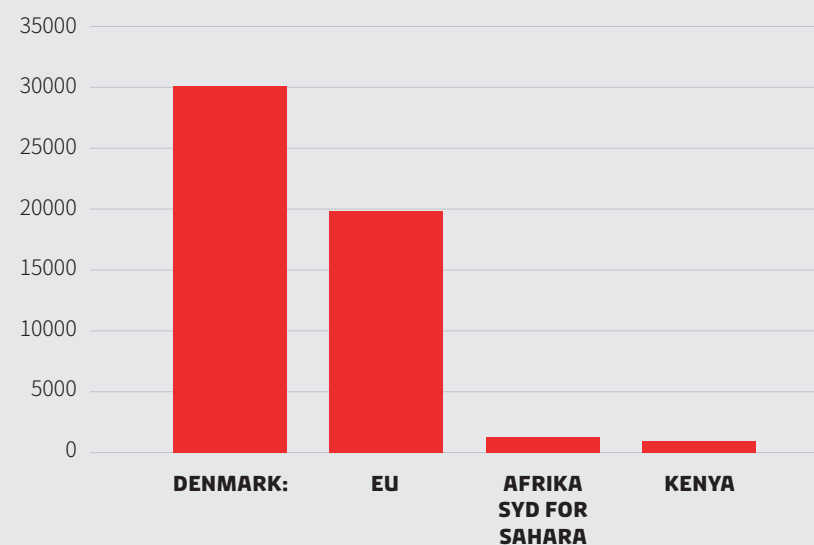
3.4 INSUFFICIENT LOCAL SUPPLY AND DEMAND

In many African countries, there is a lack of demand for locally processed goods. This is caused by an insufficient supply of competitive local products of good quality, and too low purchasing power.

The domestic market represents large untapped potential for production and processing companies in African countries. The domestic market could provide a robust foundation for local industry, and could play a central role in further job creation in Africa.

THE EXTENT OF PRIVATE CONSUMPTION

Per capita consumption in USD



WORKING CONDITIONS ON THE LABOUR MARKET ARE POOR

Relevant vocational education and training provides access to better jobs. But which jobs? A large proportion of the African workforce does not have a job that falls within the category of decent work, as defined by the International Labour Organization (ILO).

Even the jobs that require tertiary education do not necessarily have good working conditions. Many African countries face challenges with low wages and poor working conditions, such as unsafe working environments, inadequate social security, and violations of basic labour rights such as the right to organise.

Due to the large size of the informal economy, the opportunities for trade unions to represent the interests of workers are limited. There are some examples that prove it can be done, but there is still a long way to go.

Many countries do not share Denmark's strong tradition of social dialogue and involving the social partners in negotiations on labour market conditions. There is also a great need to involve the social partners more in the development of vocational education and training, in order to ensure that this education is targeted to the needs of the labour market and that students are offered decent conditions.

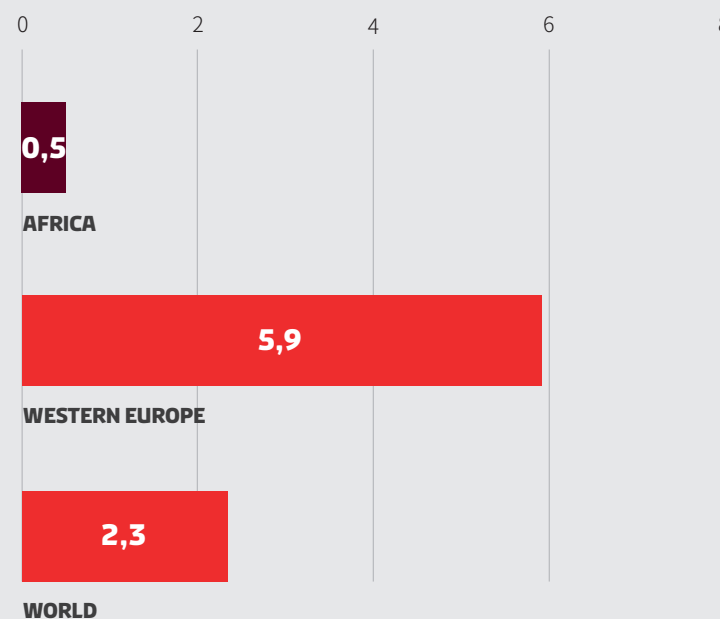
4.1 WEAK REGULATION MEANS POOR PROTECTION OF THE WORKFORCE

The labour market is only regulated to a limited extent, and the workforce is poorly protected by the current social and labour market legislation. Even when the legislation is in place, there can still be major deficiencies related to its implementation and enforcement, not least in the informal economy.

A large proportion of the population works under poor conditions with a low degree of social security, and where fundamental rights are not respected.

AFRICAN COUNTRIES INVEST FEW RESOURCES IN SOCIAL SECURITY

Public (non-health) social protection
expenditure as a % of GDP



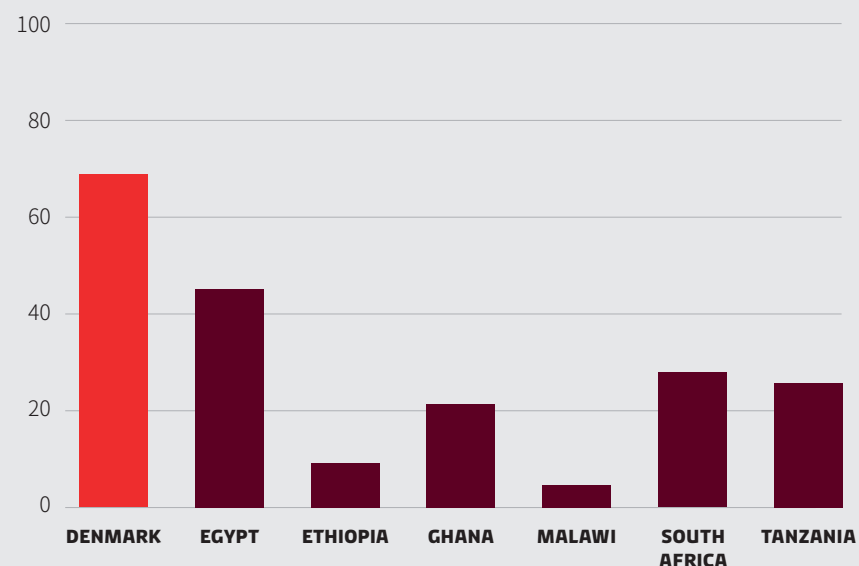
4.2 PRECARIOUS EMPLOYMENT CONDITIONS

There is a general increase in irregular employment with poor conditions (temporary, indirect and informal). This limits the ability of trade unions to organise workers and give voice to their agenda. It also hampers policy development and social dialogue.

Young people with a vocational education have greater chances of finding a job in the formal economy, where the trade unions are better placed to ensure decent working conditions.

THE DEGREE OF ORGANISATION OF LABOUR IN AFRICA IS LOW

Share of workers with trade union membership (%)



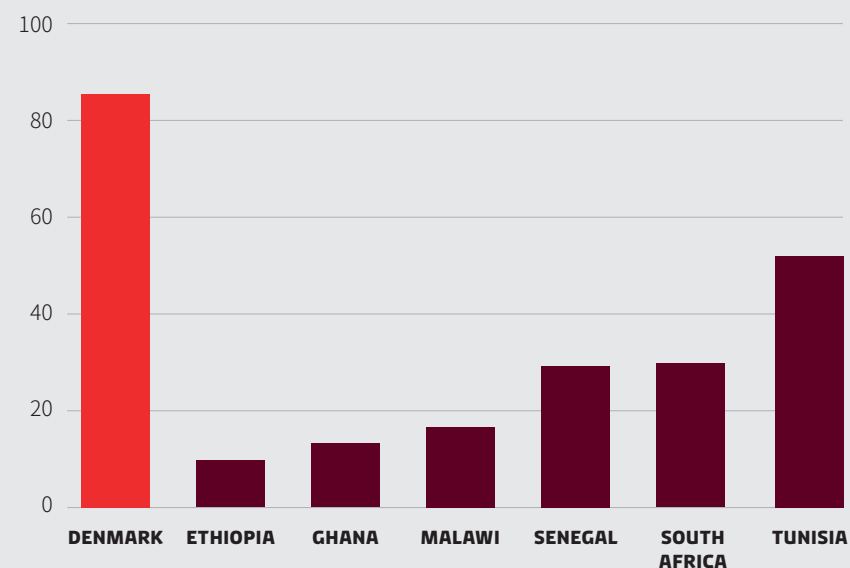
4.3 WEAK COOPERATION BETWEEN THE SOCIAL PARTNERS

Successful social dialogue and labour market negotiations require the involvement of both employees and employers. The trust between the social partners is often challenged in many African countries. Therefore, they do not cooperate sufficiently in finding solutions to the challenges in the labour market.

The social dialogue on technical and vocational education and training is weak at all levels. The social partners are not sufficiently involved - neither at national level, where the framework conditions for education are decided, nor at local level in individual technical and vocational schools. Thus, the needs of the labour market are not sufficiently accommodated in the development of education. This results in young graduates with qualifications that are demanded neither by local businesses nor by foreign investors.

COLLECTIVE BARGAINING ONLY COVERS A SMALL PART OF THE WORKFORCE IN AFRICA

Share of workers covered by collective bargaining (%)





WOMEN'S OPPORTUNITIES ARE PARTICULARLY CHALLENGED

Women are underrepresented at all levels of the education system, which contributes to maintaining inequality between men and women. The lack of access to education further adds to the vulnerable position of women and hampers their access to the formal economy.

Almost 90% of African women work in the informal economy and consequently experience a high degree of job insecurity, while at the same time bearing responsibility for the household and children. Women wanting to start their own business have much greater difficulty than their male counterparts in gaining access to land and financing, and they often lack sufficient educational skills. Consequently, women are overrepresented in the informal economy.

Women face a number of challenges in relation to their sexual and reproductive health and rights, which are exacerbated in the education system and the labour market – both in the formal and in the informal economy. Women are more vulnerable to intimidation, sexual harassment, security risks and other forms of exploitation.

COVID-19 has had and will continue to have severe consequences for girls' and women's rights. The progress that has been made is expected to see a significant setback. Girls and young women are already paying a high price in terms of lost education, jobs and income, as well as the withdrawal of their rights.

Therefore, the gender perspective and the systemic barriers faced by women are absolutely essential in the work to support Africa's youth, not least in relation to vocational education, where these elements have previously been overlooked.

5.1 WOMEN ARE UNDERREPRESENTED AT ALL LEVELS OF THE EDUCATION SYSTEM

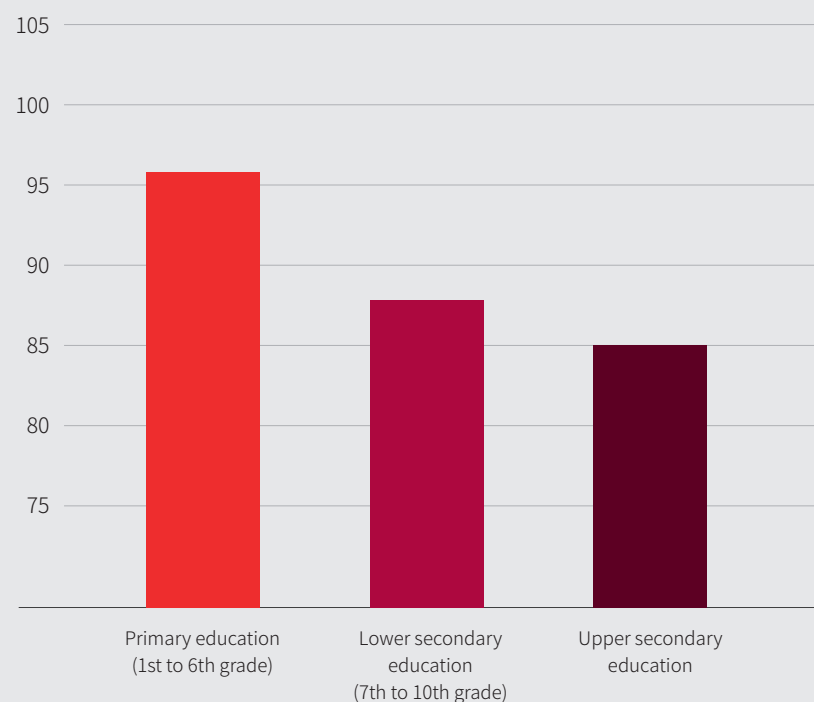
Opportunities for young African women to start and complete an education are constrained by a number of factors, including cultural norms, domestic work, poverty, pregnancy and early marriages. If families can afford to educate only one child, there is an overwhelming probability that they will choose a boy over a girl.

Despite progress in recent decades, women are increasingly underrepresented in the higher levels of the education system. The higher the level of education, the fewer women you will find there.

Moreover, women are at risk of sexual harassment, rape and other violations of their sexual and reproductive health and rights in connection with their education.

THE HIGHER THE LEVEL OF EDUCATION, THE SMALLER THE SHARE OF WOMEN

Number of women enrolled in education per 100 men



5.2 WOMEN ARE VULNERABLE IN THE LABOUR MARKET

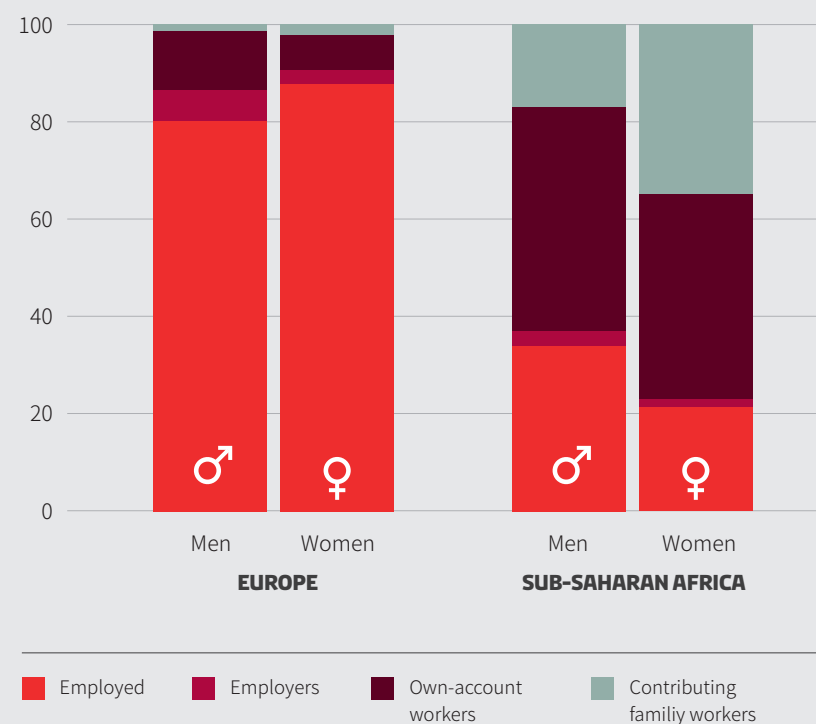
The common standard in many African countries is that women are responsible for taking care of the children and for the majority of the domestic chores, even if they also work in the field, have a paid job or contribute to the family income through own-account work. This means that women in the labour market find themselves in a much more difficult situation than men.

Female entrepreneurs have poorer access to land, means of production and financing. Many women are employed as “contributing workers” in family businesses – often without receiving any actual pay.

Vocational education and training can be a catalyst for women’s empowerment and can help them overcome these challenges.

MORE WOMEN THAN MEN ARE CONTRIBUTING FAMILY WORKERS, OFTEN WITHOUT WAGES

Distribution of employment (%)



CHANGES RELATING TO CLIMATE AND THE ENVIRONMENT CHALLENGE LIVING CONDITIONS AND JOB CREATION

Climate change results in more extreme weather conditions and rising temperatures. This adversely affects agricultural production in most African countries. Few African farms have irrigation, and the extreme weather makes life uncertain for individual farmers as well as for the agroindustry. Climate change may thus stand in the way of efforts to create jobs and economic growth in Africa. These factors need to be considered if the ambition is to create jobs through skills development.

At the same time, in agriculture, crafts and industry, there is great untapped potential in the “green transition”, which is not being used sufficiently to create jobs and employment. Technical solutions, such as renewable energy, are not enough. Significant behavioural changes at the level of the individual consumer are needed in order to achieve the required downscaling in the consumption of energy and other resources. Here, skilled workers, such as agricultural engineers, construction craftsmen and electricians, have a major role to play as conveyors of best practices, and thus they are part of the solution. The lack of financing, technical knowledge and skills in the workforce are significant hindrances to taking advantage of the opportunities related to the green transition and adapting to climate change. Current technical and vocational education prepares the workforce for the jobs of the past rather than those of the future.

6.1 CLIMATE CHANGE CHALLENGES EMPLOYMENT OPPORTUNITIES AND INCOME

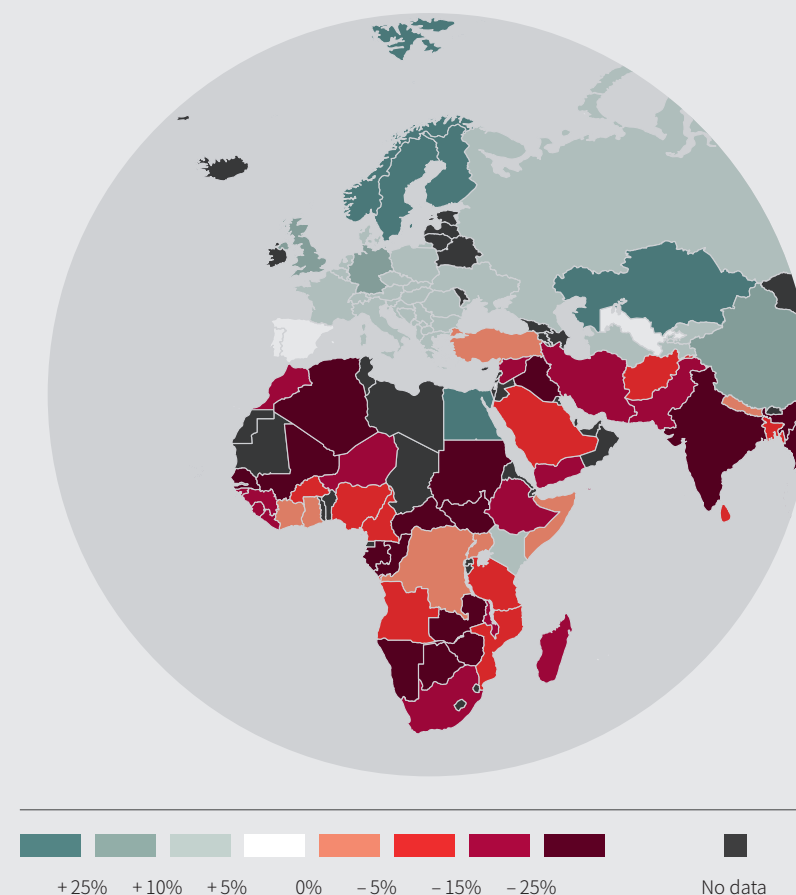
Climate change affects agricultural production in most African countries, which are increasingly being challenged by drought, flooding and other extreme weather conditions. This has serious implications for the large proportion of the population whose income stems from agriculture. Agriculture does not make sufficient use of methods adapted to climate change.

Climate change can be a contributing factor to conflicts over resources and lead to instability and migration. This adversely affects possibilities and the desire to invest, and companies see fewer business opportunities. This can create a vicious circle, with additional negative consequences for food production, jobs and income.

> From 1998 to 2017, the financial loss from natural disasters related to climate change is estimated to have reached USD 2,245,000,000,000. Low-income countries are hit particularly hard.

CLIMATE CHANGE WILL ADVERSELY AFFECT AGRICULTURAL PRODUCTION IN AFRICA

Expected development in agricultural productivity between 2003 and 2080



6.2 LIMITED STRIDES TOWARDS THE GREEN TRANSITION

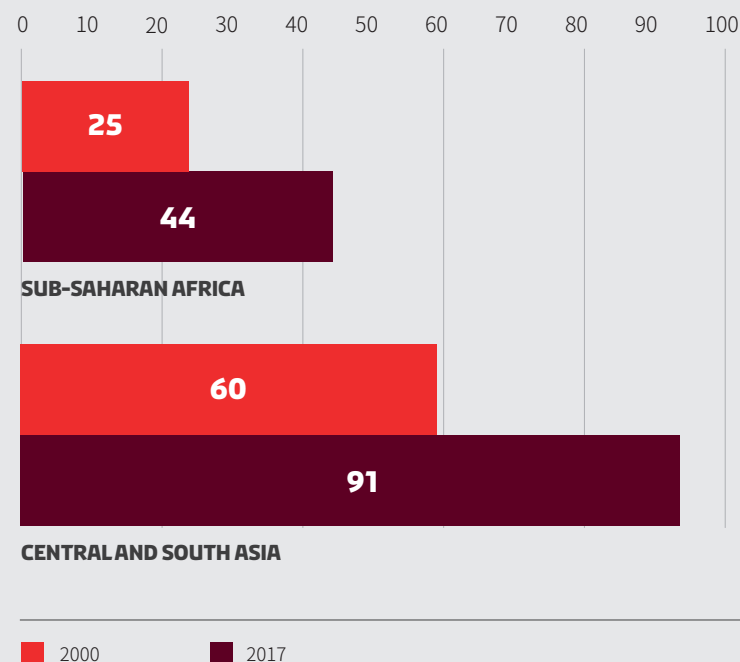
The majority of African countries lack reliable access to basic infrastructure, such as electricity, clean drinking water and transportation. These are necessary preconditions for economic activity, and the situation thus constrains productivity in crafts, manufacturing and agriculture, and reduces the potential for growth and job creation.

There is great untapped potential in the green transition, for example renewable energy solutions, and energy and resource optimisation in buildings and production processes. In agriculture, there is also enormous potential for introducing new technologies, which can create new jobs in the very sector that needs to contribute to feeding the growing population.

Lack of knowledge, incentives and access to finance means that too little is done to promote a consumption-driven green transition.

MANY PEOPLE IN AFRICA LIVE WITH NO ELECTRICITY

Share of the population with access to electricity (2000 and 2017)



AROUND 573 MILLION

people live without access
to electricity in
Sub-Saharan Africa (2017)

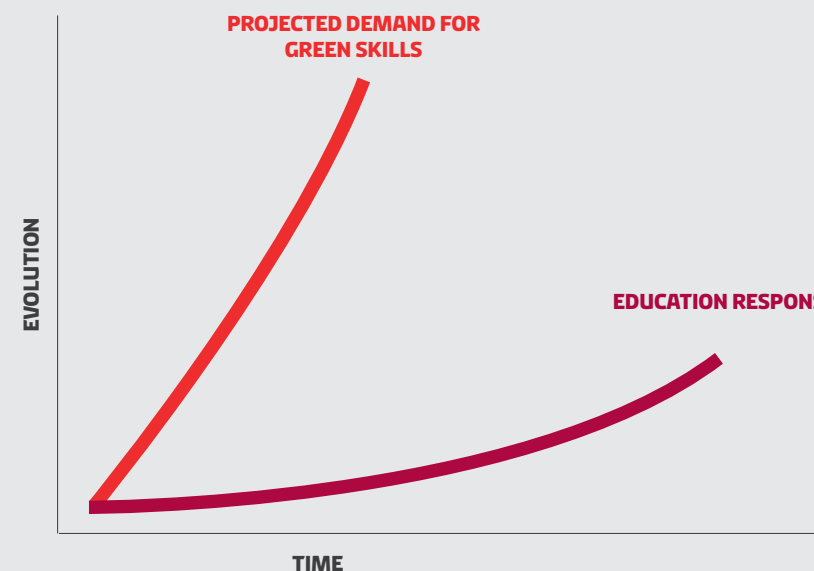
6.3 EDUCATION FOR THE JOBS OF THE PAST RATHER THAN THOSE OF THE FUTURE

The fact that technical and vocational education is geared towards the jobs of yesterday rather than towards those of the future is a challenge.

Green transition and increased trade necessitate an upgrade in the technical qualifications of the workforce. The lack of knowledge and relevant qualifications among large proportions of the workforce in African countries makes it difficult to adapt the production to the technological and quality demands posed by globalisation.

If the right skillsets are present in the workforce, the green transition in agriculture and the energy sector will provide opportunities for creating many new skilled jobs. The green transition is, to a large degree, also a question of consumer behaviour, a lack of climate-friendly habits, and knowledge about climate and the environment.

THERE IS A LACK OF SKILLED LABOUR WITH THE RIGHT "GREEN" QUALIFICATIONS



60 MILLION

**green jobs are expected to
be created globally in the
decades to come**

FRAMEWORK CONDITIONS FOR JOB CREATION AND VOCATIONAL EDUCATION AND TRAINING ARE INADEQUATE

The growth and development of companies are crucial for job creation. The lack of jobs, including for skilled workers, is to a large extent due to the fact that it is difficult to establish and run a company. Most countries in Africa are characterised by poor business environments with inadequate regulatory frameworks. This contributes to slowing down the economic development of the continent. Compared with high-income countries, African countries lag behind across almost all parameters.

At the moment, it is too costly and risky to run a business, and it is difficult to access finance. The regulatory framework is poor, existing laws are not enforced and bureaucracy is rife. Inadequate access to water and electricity are examples of factors that can hamper companies' production and hence their prospects of growing and creating jobs.

Particular challenges include the very high tariffs, non-tariff trade barriers and the high costs of transportation that constrain international and regional trade. Increased trade has the potential to create growth in African economies, and thus contribute to job creation – also benefiting people with vocational education and training.

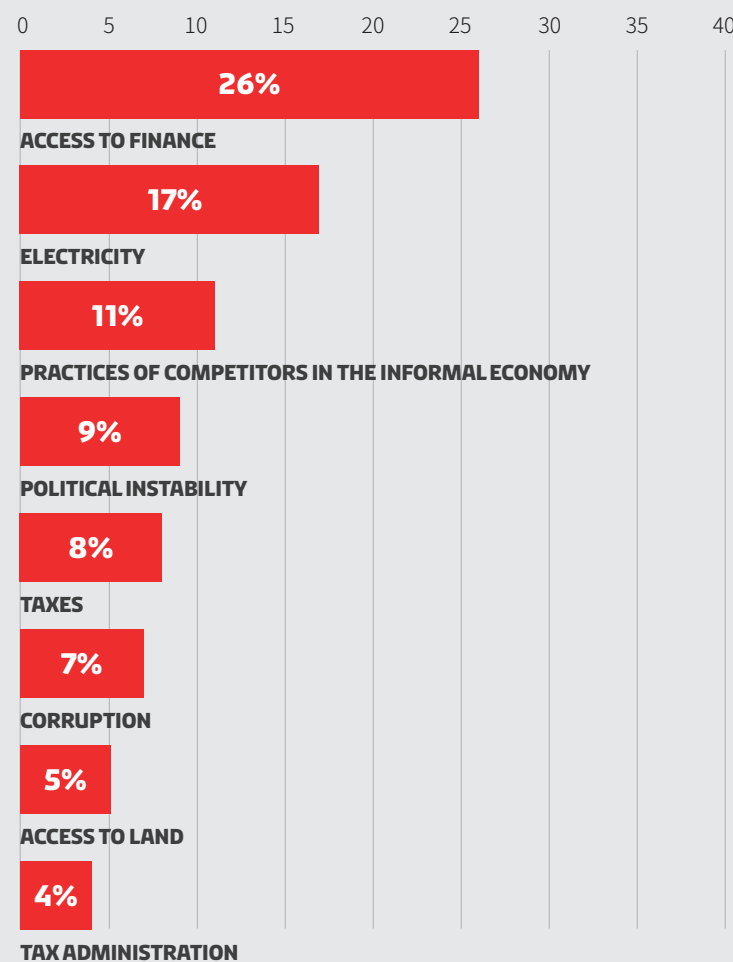
7.1 IT IS DIFFICULT AND COSTLY TO START AND RUN A BUSINESS

The cost of starting and running a business is generally high. It is often difficult for companies to access finance. This is partly due to the fact that banks are not willing to take risks, and that support to small businesses is limited – especially for those in the informal economy.

Add to this informal costs and corruption, which have been institutionalised in many countries. Small and medium-sized enterprises in particular will often seek to avoid formalisation, due, among other things, to the heavy bureaucracy and relatively high taxes. Women are especially limited by these barriers.

SMES IN AFRICA ARE CHALLENGED BY A NUMBER OF OBSTACLES

The most significant obstacles identified by SMEs in Sub-Saharan Africa (%)



7.2 TRADE BARRIERS LIMIT REGIONAL TRADE

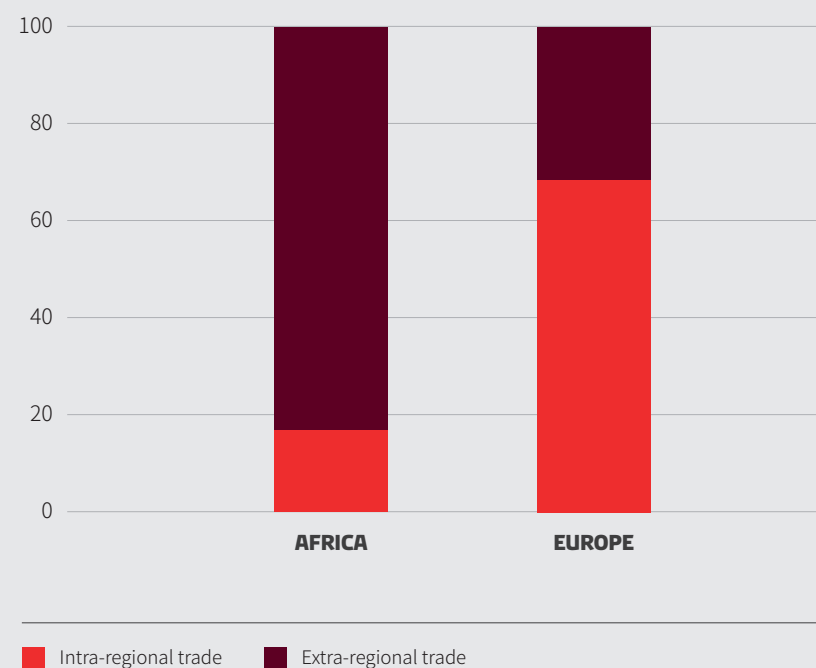
Increased trade and access to international markets create greater demand and have a positive impact on production and job creation. In particular, increased regional trade has the potential to create growth in African economies.

However, regional trade in Africa is limited by high tariffs and other trade barriers, the high cost of transportation, and a poor match between supply and demand. The result is that intra-regional trade is significantly lower than the trade with the rest of the world.

To increase trade, it is necessary to have good-quality products that meet international standards. In order to be able to deliver this, companies need employees with the right qualifications – including skilled workers.

AFRICAN COUNTRIES TRADE LESS WITH THEIR NEIGHBOURS

Distribution of extra- and intra-regional trade (%)



7.3 AN OUTDATED REGULATORY FRAMEWORK

In many African countries, elements of the legislation in the areas of education, industry, labour market and taxes are either outdated or not adequately enforced.

One particular challenge is that the legislation often does not provide the right framework conditions for cooperation between businesses and technical and vocational schools, for example in relation to apprenticeships and internships.

30

of the 50 lowest-ranked countries
in the World Bank's Doing
Business Index are in Africa

7

of the 100 highest-ranked
countries in the Doing Business
Index are in Africa

7.4 POOR USE OF DIGITAL OPPORTUNITIES

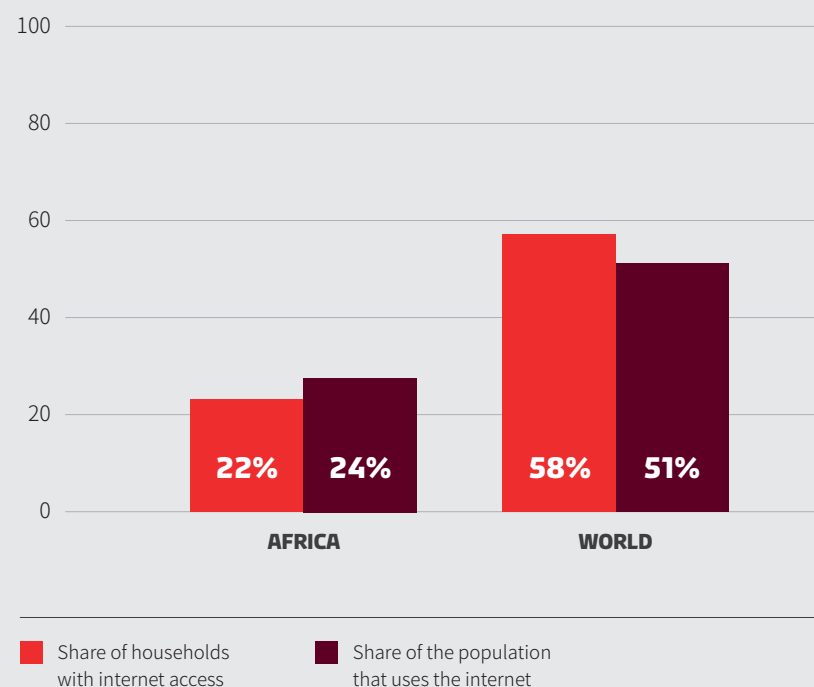
While 76% of the African population has access to a mobile phone, only 24.4% has access to the internet. The lack of access to the internet and digital technologies means that their potential for offering better and cheaper education for more people is not being sufficiently exploited. This also applies to building up knowledge in agriculture, for example.

Women are at a disadvantage compared with men in terms of access to the internet and hence to knowledge, networks and education. In relation to COVID-19, this means that girls are more likely than boys to miss out on education during lockdowns.

The lack of digitalisation limits the market access of businesses and agriculture, as well as their opportunities for increasing productivity and thus creating more jobs.

THE DIGITAL INFRASTRUCTURE IN AFRICA IS DEFICIENT

Access to and use of the internet (%)



WHAT IS A JOB?

The ILO has introduced the concept of **decent work**, which is defined as:

- Productive employment that provides a fair income
- Security in the workplace and social protection
- Good prospects for personal development and social integration
- Freedom for people to express their concerns, organise and participate in the decisions that affect their lives
- Equality of opportunity and treatment for all women and men

MEMBERS OF THE TASKFORCE

- **Jens Kvorning** Head of Internationalisation, SMEDenmark Chairman of the Taskforce
- **Irene Quist** Mortensen, Senior CSR Business Partner, Arla
- **Jesper Nielsen** Head of the international department, 3F
- **Jonas Messerschmidt** Youth consultant, 3F/ Danish Trade Union Confederation (Youth)
- **Jørgen Juul Rasmussen** Chairman, Danish El-Federation
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- **Mads Bugge Madsen** Head of the Secretariat, Danish Trade Union Development Agency
- **Marie Gad** Director Global Development and Sustainability Confederation of Danish Industries
- **Neil Jacobsen** Director, EUC Nord
- **Nina Groes** Director, Divers/Boss Ladies
- **Pia Yasuko Rask** Director of Safe Water, Grundfos

**WHITE PAPER ON JOB CREATION
AND SKILLS DEVELOPMENT
IN AFRICA**

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1448 Copenhagen K
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**MINISTRY OF FOREIGN
AFFAIRS OF DENMARK**

Asiatisk Plads 2
1448 Copenhagen K

Tel +45 33 92 00 00
Fax +45 32 54 05 33
um@um.dk
www.um.dk

