Best Practises in Job Creation

Lessons from Africa

NKC African Economics
United Nations Economic Commission for Africa
Best Practises in Job Creation

Lessons from Africa
As one of the five regional commissions of the Economic and Social Council, the Economic Commission for Africa (ECA) supports economic and social development in Africa, fosters regional integration and promotes international cooperation in support of regional development through research and technical assistance to Governments.

The work of ECA is focused on the economic policies required for Africa to achieve structural transformation and a faster, stronger, economic recovery in the wake of the coronavirus disease (COVID-19) pandemic. In addition, the Commission works in a number of other areas, including macroeconomics, governance, trade, statistics, employment, private-sector development, finance, social development and climate mitigation and adaptation.

The work of ECA is supported by five subregional offices and a training centre specifically dedicated to African civil servants and officials.

The present report contains a study of 34 employment initiatives in 15 countries, highlighting the similarities among the most successful initiatives, and promoting the best practices in job creation in Africa. It provides a discussion of what African Governments and other key actors have been doing to ensure that employment policies achieve meaningful results.

Results from the research suggest that aligning public sector employment objectives with private-sector business objectives is a key success factor. In addition, leveraging private-sector resources by providing training incentives or by collaborating in public-private partnerships to formulate and implement employment initiatives can markedly boost the chances of success.

Vera Songwe
Executive Secretary of the Economic Commission for Africa and Under-Secretary-General of the United Nations

About the Economic Commission for Africa

As one of the five regional commissions of the Economic and Social Council, ECA supports economic and social development in Africa, fosters regional integration and promotes international cooperation in support of regional development through research and technical support to Governments.
Creating sustainable employment opportunities remains a global challenge. However, the unemployment situation in Africa is arguably the continent’s most pressing concern, especially in the light of the demographic trends, which are characterized by a young and growing population. Apart from the negative socioeconomic consequences relating to elevated unemployment, especially among young people, Africa runs the risk of missing out on the benefits of the so-called demographic dividend. Employment creation is therefore of the utmost importance to achieve the continent’s broader development goals and to tackle serious issues such as widespread poverty, income inequality, gender disparities and insecure livelihoods.

It is towards this end that some of the more recent job-creation initiatives on the continent have been examined, with the aim of identifying the factors that have contributed to the success of those initiatives. Given the socioeconomic diversity on the continent, the success of an initiative in one country does not guarantee success in another. But there are undoubtedly lessons that African countries can learn from each other. This, in turn, provides insights that can be considered when formulating policies aimed at stimulating employment.

NKC African Economics shares in the desire to see Africa flourish, to make a meaningful contribution to the development discussion and to play a supporting role in helping Africa to unlock its immense potential. The lessons drawn from the research undertaken for the present report, in collaboration with ECA, provide insights from a policy perspective, or, at the very least, stimulate further discussion on a topic often marred by differing ideologies or pre-conceived ideas.

Noelani King Conradie
Managing Director
NKC African Economics
About NKC African Economics

NKC African Economics is a majority-owned subsidiary of Oxford Economics that specializes in political and macroeconomic research in Africa. NKC investigates and interprets the economic, risk and political conditions of African countries to caution against pitfalls and guide investors towards opportunities. Insights are provided within the context of comprehensive knowledge of the African continent, its history, and each country’s economic setting.
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EXECUTIVE SUMMARY

The inability to find a means of income to generate a satisfying livelihood remains a global problem. Given the unique and tumultuous past of Africa, however, the problem is more entrenched than in many other emerging and developing markets.

The situation has been exacerbated by the coronavirus disease (COVID-19) pandemic, which could push millions of people into extreme poverty, erasing at least five years of progress in fighting destitution.

Unemployment and underemployment remain pervasive on the continent, and demographic trends suggest that the situation will deteriorate further if it is not effectively addressed.

The nature of the unemployment problem, however, is such that implementing the correct policies and pursuing effective initiatives will go a long way towards setting the continent on a favourable trajectory.

The present report contains the results of an examination of 34 employment initiatives in 15 African countries, highlighting the areas that the most successful initiatives have in common.

Given the idiosyncratic nature of each country’s economic structure, labour force and state of socioeconomic development means, there is little evidence to suggest that the success of a specific initiative can be replicated in another country without taking into account those differences.

However, by ascertaining which broader approaches have proven successful in these countries and identifying which focus areas have shown the most promising results, it is possible to gain insight into what constitutes best practice from an employment-creation perspective.

Signalling commitment towards international best practice, not just from a policy perspective but from a legal standpoint as well, is another channel through which countries can learn from experiences elsewhere.

From an international labour standards perspective, the International Labour Organization identifies cases of progress whenever countries that have ratified its conventions make progress in complying, both in law and in practice, with the broad principle of those conventions. A number of African nations have already ratified the Employment Policy Convention (No. 122) of the International Labour Organization.

As an initial step, identifying the most common phrases emphasized in the employment-creation initiatives examined in the study has already provided some insight into important success drivers. These phrases, depicted in a word cloud below, include partnership, skills development, youth employment, investment promotion and access to credit.
In addition to elaborating on employment-creation initiatives in certain African countries, the study provides the following classifications for each initiative or policy:

(a) The channel through which the project is being driven;
(b) The focus area of the intervention;
(c) The target sector of the intervention.

By classifying the channel, focus area and target sector of each initiative, it is possible to formulate a more holistic view of the general themes that emerge.

**Primary channels of interventions**

Of the 34 employment initiatives identified in the present report, more than one third took the form of public-private partnerships (see figure 1). These partnerships vary in nature and scope, with some focusing on private-sector skills development while others take the form of joint enterprises between Government and private companies.

For example, in Kenya, the Ajira Digital Programme, which is a government initiative that facilitates skills development in the private sector, has trained and provided more than 50,000 work opportunities in the information and communications technology (ICT) sector (Ajira, 2020a).

The Ajira Digital Programme exemplifies the benefits of leveraging the private sector’s ability to identify opportunities and to adapt to change, thus creating a more robust labour market.
In addition, investment promotion represents an important channel, again reflecting the benefits associated with leveraging and incentivizing private-sector investment to bring about employment creation.

Focus areas of interventions

Turning attention to the focus areas, results from the study acknowledged that youth employment was at the centre of most initiatives (see figure 2), and appropriately so, given the continent’s youth unemployment problem.

Other important focus areas included skills development, market access, entrepreneurship and a focus on micro-, small and medium-sized enterprises. The latter two focus areas are closely linked and critically important to bringing about

* Note on methodology: Unemployment represents a key theme in the present report. However, given that countries follow different approaches in defining and measuring unemployment metrics, it often proves more useful and is more statistically sound to utilize a single source for unemployment metrics, especially for comparison, modelling and forecasting purposes. Hence, throughout the present report, standardized figures often utilize sources that differ from those reported by statistical offices. Figures provided by statistical offices or other in-country organizations may well be elaborated on in the present report, in which case the sources will be clearly referenced.

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job creation. A lack of skills, meanwhile, is often cited by businesses as a key factor constraining productivity and hence further expansion and investment.

**Target sectors of interventions**

The vast majority of the job-creation initiatives considered in the present report have been broad-based and do not target a specific sector (see figure 3). Most successful initiatives, however, seem to have a clear focus on a specific channel through which to stimulate employment.

**Figure 3: Number of employment initiatives by targeted sector**

![Figure 3](image)

Abbreviations: ICT, information and communications technology.

An example is the use of subsidies for skills development, which still allows market forces to determine which sectors see the greatest take-up of the initiative. Furthermore, irrespective of the sector targeted, it seems that initiatives that are aimed at involving participants from various segments of the value chain often have a greater impact. These projects often leverage the expertise of more commercial or advanced segments of the value chain to drive the transfer of skills while boosting the competitiveness of the targeted beneficiaries. An example of such an initiative is the Anchor Borrowers’ Programme in Nigeria, which supports smallholder farmers and strengthens their links to larger agroprocessors. The design of the programme holds many advantages: it provides smallholder farmers with immediate funding to procure the input material needed and to pay for additional labour to increase production. The programme involves training and support elements, linking more formal and larger businesses with more informal ones, which allows for the transfer of skills and knowledge. In addition, it involves many supply-chain participants rather than being restricted to headline participants. Here, again, a specific focus on tackling a particular market failure – weak supply-chain connections – goes a long way in allowing private enterprises to organically support job creation.

The job-creation initiatives that do target specific sectors are often focused on agriculture and education. The agricultural sector offers immense potential if informal and artisanal activities can be scaled up and commercialized. Interventions focused on education, meanwhile, support skills development.
Many initiatives target the manufacturing sector. Manufacturing development is of paramount importance for Africa and will be central in diversifying economies away from exporting raw materials and importing finished goods. Shifting the continent towards adding more value domestically, however, will require Africa to generate the skills necessary to do so, while other factors relating to competitiveness will need to be considered. Manufacturing development is especially important if countries want to take advantage of initiatives such as the African Continental Free Trade Area.

**Key lessons for policy formulation**

The focus on youth employment has shown success across the continent and has hit at the heart of the unemployment problem. The use of fiscal incentives to provide work experience to young job seekers has shown positive results in countries such as Cameroon and South Africa, while the facilitation of guidance and counselling services has led to permanent employment in countries such as Algeria and Egypt. Technological development means that the skills in demand are rapidly changing, and demographic trends mean the number of job seekers is rapidly rising. It will be critical for African Governments to pursue a favourable equilibrium between labour demand and supply.

Another aspect to consider when assessing the labour market is the level of female participation in the labour force, how this level is expected to change over time, and what this means for productivity and labour supply. While female participation varies considerably on the continent, from around 17 per cent in Algeria to some 65 per cent in Botswana (World Bank, 2021), recognizing and embracing this segment of the labour force will be critical in formulating a sustainable, long-term solution to the unemployment problem. There has already been some success in this regard. For example, the Egyptian Micro, Small and Medium Enterprises Development Agency formulated specific targets to reach and fund female-owned micro-, small and medium-sized enterprises – targets which the agency later exceeded. In Côte d’Ivoire, around 50 per cent of the beneficiaries of the Youth Employability and Insertion Support Programme were female, exemplifying the potential benefits from creating more inclusive employment initiatives. Furthermore, many of the employment-creation initiatives that focus on areas such as youth employment also incorporate targets to facilitate and encourage job creation for women.

While the initiatives discussed in the present report vary considerably with regard to both the intervention channel and the sector targeted, there are a few overarching themes that are present in many successful initiatives. These include the focus on youth employment and skills development, and the leveraging of private-sector resources through public-private partnerships.

The continent’s demographic profile shows that most job seekers are young. A focus on youth employment and early skills development targets the employment problem where it is most severe. In turn, fiscal constraints and organizational inefficiencies mean that government employment initiatives often disappoint and do not achieve their targets if private-sector resources are not leveraged. In general, private-sector know-how and an understanding of the skills that are in demand can boost an initiative’s probability of success. The key themes identified in all the employment initiatives can be summarized in the following policy recommendations:
• Employability matters: Demographic trends suggest that youth unemployment will increasingly become a concern if no direct action is taken. Initiatives that improve the employability of young people by generating opportunities to gain work experience or by supporting entrepreneurial endeavours hold great potential in traversing the gap between labour demand and labour supply;

• Leveraging the private sector: The alignment of public-sector employment objectives with private-sector business objectives is a key success factor. Leveraging private-sector resources by providing training incentives or by collaborating in public-private partnerships in formulating and implementing employment initiatives markedly boost the chances of success;

• Broad-based yet focused: Many of the initiatives are broad-based and do not target a specific sector. However, the most successful initiatives seem to have a clear focus on a specific channel through which to stimulate employment. An example of this is the use of subsidies for skills development, which still allows market forces to determine which sectors see the greatest take-up of the initiative. Furthermore, irrespective of the sector targeted, it seems that the initiatives that involve participants from various segments of the value chain often have a greater impact. These projects often leverage the expertise of more commercial or advanced segments of the value chain to drive the transfer of skills, while boosting the competitiveness of the targeted beneficiaries. A clear focus and explicit objectives are critical, and simpler interventions can often be most effective.

Overview: African context

The COVID-19 pandemic has resulted in socioeconomic regression on a global scale. Most nations will have experienced a drop in economic output despite having sound institutions and previously ingrained macroeconomic stability. Governments across Africa have been proactive in taking measures to mitigate the economic impact of the pandemic.

Many African nations, if not most, have had to grapple with much less favourable fiscal metrics than those observed in some of the more developed markets, and the magnitude and duration of fiscal stimulus has reflected this reality. Nevertheless, Government responses have been critical in protecting livelihoods on the continent. In the north of the continent, the Government of Egypt announced a stimulus and bailout package valued at nearly 100 billion Egyptian pounds in March 2020, with around half of the funds directed to the job-intensive tourism sector. In the south, the Government of South Africa announced the commencement of a 500-billion-rand support package in April 2020, in addition to tax measures aimed at assisting businesses through the difficult months ahead. In the East Africa region, Kenya announced an eight-point economic stimulus package with a focus on supporting small- and medium-sized enterprises and jobs-intensive sectors such as manufacturing and tourism. Finally, in West Africa, the Government of Nigeria pushed through expansionary revisions to the fiscal budget with the aim of easing pressure on the economy, notwithstanding the lower oil prices putting severe strain
on government finances. On the monetary policy front, benchmark interest rates dropped to all-time lows in countries from Morocco to South Africa and Côte d’Ivoire to Rwanda during the COVID-19 pandemic, but the more effective measures, arguably, have included widening the collateral accepted for central bank lending facilities and reducing the liquidity and capital requirements for banks.

While the initial shock has been exogenous, the speed of recovery will be determined by underlying fundamentals. There are numerous structural factors that will bring about economic growth after the crisis, and the institutional and economic diversity on the African continent mean that the recovery will be far from uniform. Countries with greater economic freedom and a favourable operating environment will be more adaptable and therefore have an edge moving into a post-COVID-19 world.

While many jobs will be lost and businesses fail, new beginnings can be facilitated by flexible labour markets, skilled labour forces, and accommodating business environments. Now more than ever, investment is likely to be skewed towards countries that have a stable macroeconomic and political environments.

Figure 4: Medium-term growth outlook and labour force in various African countries

Abbreviation: GDP, gross domestic product.

Figure 4 shows that, during the five years ending 2019, certain East and West African nations boasted some of the world’s strongest economic growth. The compound annual rate of growth in gross domestic product (GDP) between 2014 and 2019 (as displayed on the x-axis) exceeded 6 per cent in Côte d’Ivoire, Ethiopia, Rwanda and the United Republic of Tanzania. When looking at the projected compound annual growth rate for the subsequent five years (2019–2024, as displayed on the y-axis), incorporating the loss of economic output due to the 2020 economic crisis, many of these economies are expected to register annual growth in excess of 4 per cent during this period. These figures reflect a new global economic reality, and while they pale in comparison to that observed over the past decade, they show that the continent should remain host to some of the best-performing economies globally.
Optimism, however, should be tempered by the continent’s most pressing concern, which has been exacerbated by the pandemic – unemployment. It is concerning that some of the largest working-age populations on the continent are present in some of the slowest growing economies. Meanwhile, most African countries, despite recent or expected future growth, continue to struggle with elevated unemployment. The COVID-19 crisis has had a particularly negative impact on smaller firms, which matters because they are critical in creating jobs and supporting productivity growth. Another important factor to consider is the prevalence of vulnerable employment, meaning there is a high incidence of jobs that are inherently volatile and fail to provide income security.

Comparing unemployment across Africa is difficult owing to the numerous definitions used, with many countries recording subsistence farming as formal employment. Such jobs do not provide income security and mask the actual level of underemployment. The latest figures from the World Bank (2021) estimate vulnerable employment as high as 80 per cent (as a proportion of official employment) in countries such as Ethiopia, Mozambique and the United Republic of Tanzania (see figure 5).

Figure 5: Vulnerable employment as a proportion of total employment 2019

Both unemployment and underemployment remain concerns across Africa


Unemployment is by no means an insurmountable problem. Various employment initiatives have borne fruit and the levers behind employment creation are within the reach of Governments. Not only will institutions and policy decisions determine the rate of economic recovery after the COVID-19 pandemic, but these factors will also determine the extent to which economic progress is accompanied by job creation. Africa faces a number of environmental and socioeconomic challenges; nevertheless, one of the most pernicious of these, namely, the widespread inability to generate a satisfying livelihood, can be dealt with by taking corrective action.
1. ALGERIA

Prior to the 2014–2016 oil price crash, Algeria experienced a significant economic upturn supported by booming hydrocarbon prices. Declining oil prices, however, resulted in exports falling by more than 40 per cent between 2014 and 2016 (Bank of Algeria, 2021). Although oil prices had been recovering in the years preceding the COVID-19 pandemic, fuel exports never quite returned to their former levels, leading to a substantial deterioration in the foreign reserves position. The onset of the COVID-19 pandemic brought further woes for the economy, which was estimated to have contracted by double-digits in 2020 (see figure 6). The severe slump would have had dire consequences for the unemployment rate, which averaged around 12.8 per cent in 2020, compared with 11.8 per cent in 2019 (World Bank, 2021). Although global oil prices are forecast to gradually rise in the coming years, a serious shift away from the rentier state model is needed to lift Algeria out of the economic crisis it faces.

Figure 6: Annual change in labour market indicators for Algeria (percentage)

The severe slump in 2020 had dire consequences for the unemployment rate


The worsening economic situation in Algeria has resulted in hiring freezes across the public sector, which accounts for around 40 per cent of total formal employment (Danish Trade Union Development Agency, 2020). This has translated into frustration among the young population – a large proportion of which is highly educated but cannot be absorbed by the lacklustre private sector. This is both a demand and supply-side issue; there is a lack of demand for skilled workers in the private sector, and a mismatch between labour market demand and the supply of education.
1.1. Succeeding through career guidance for young people

In 2015, the Youth Employment Project was launched by World Learning Algeria in partnership with the Middle East Partnership Initiative. The three-year project sought to “reinforce the linkages between young people and the world of work” (Farrand, 2019 p. 4). To achieve this, youth career centres were established in private vocational training schools at nine sites. These centres provided students with supplemental training in conducting a job search and essential professional skills, and access to a new job search and matching platform. In addition, the project upgraded the training methods and materials of vocational training centres; reinforced links between technical schools and local businesses; and provided internships and job opportunities to students. Some 9,500 young Algerians were trained through the project, and employment was secured for 79.7 per cent of participants who sought work (Farrand, 2019).

The Youth Employment Support Programme was implemented over a three-year period from 2016 to 2019. The programme, which was co-financed by the Government of Algeria (2.5 million euros) and the European Union (23.5 million euros), was intended to “support reforms and actions taken by government in the implementation of youth-centred policies” (Youth Employment Support Programme, 2021). The programme was rolled out in four pilots “wilayas” or governates – Annaba, Bechar, Khenchela and Oran – and reached more than 6,500 young Algerians through its guidance and counselling services. Finally, more than 130 companies were created, which employed around 500 young people.

1.2. Tailored training courses for young people

The project – Increasing Employment in the MENA Region – was another initiative that was created to tackle the youth unemployment problem in Algeria. The pilot project, which was founded by Education for Employment in partnership with the Middle East Partnership Initiative, ran from 2017 to 2019. The project was aimed at engaging with various corporations and industries to assess the demand for skills in the private sector; providing tailored training courses for young people; and securing job opportunities for participants. The project provided employability and job-search training to 100 public university students, and soft-skills training to 616 young people. Following that training, 567 jobs were secured by programme participants (Barry and Dandachli, 2020).

1.3. Interest-free credit access

The interventionist policies to encourage economic participation among young people have been facilitated through the Algeria National Agency for Youth Employment Support (2021). One of the main intervention mechanisms was the provision of interest-free loans. According to the agency, the programme, since its inception in 1997, had facilitated the creation of 878,264 jobs by the end of 2016, with 92 per cent of loans going to Algerians under 35 years of age. Some media outlets reported that the jobs impact had increased to 1.2 million by November 2018. However, Adair and Souag (2019) highlighted that considering gross job numbers rather than net flows may inflate the perceived impact of the programme. In addition, findings from the present study revealed that “the impact of labour market policies taming unemployment proved rather weak”.

Channel: Public-private partnership
Focus: Youth employment
Sector: Education

Channel: Access to credit
Focus: Entrepreneurship
Sector: Broad-based
2. ANGOLA

The second-biggest oil producer in Africa has been mired in a five-year-long economic depression. Apart from contending with a lower oil price environment, oil sector exports – which account for more than 95 per cent of total goods exports (Bank of Angola, 2021) – are under pressure from declining production due to insufficient investment. Efforts to diversify away from oil have been hampered by severe infrastructure backlogs, burdensome bureaucracy and corruption. The election of President João Lourenço in 2017 (after the nearly four-decade-long rule of President José Eduardo dos Santos) and approval of a three-year International Monetary Fund loan programme in December 2018, have added some impetus to economic reform efforts.

The Lourenço administration has clamped down on prominent officials accused of corruption (News24, 2020) and has started a programme to privatize 195 State-owned enterprises (PROPRIV, 2020).

Figure 7: Annual change in labour market indicators for Angola (percentage)


The boom years of oil production did not coincide with reduced unemployment (see figure 7). Instead, most of the employment growth in recent years has been driven by public services and construction. Meanwhile, informal employment (mainly subsistence agriculture) remains the largest source of employment (International Finance Corporation, 2019). The modelled International Labour Organization estimate for the narrow unemployment rate in 2020 was 7.7 per cent (World Bank, 2021), while the official (broader) unemployment rate in 2019 was above 30 per cent (Instituto Nacional de Estatística, Angola, 2021).

KEY JOB CREATION INITIATIVES

2.1. Agro-industrial zones

Notwithstanding the abundance of land and water in the country, the agricultural industry remains largely undeveloped, with only around 10 per cent of the estimated 35 million hectares of arable land being cultivated (International Finance Corporation, 2020). The previous administration, under the former president, Mr. dos Santos, had favoured large-scale public investment in agro-industrial zones to develop the agricultural sector, but the new Government is looking to privatize several farms in these zones as part of the PROPRIV programme to privatize 195 State-owned enterprises.

The largest of these agro-industrial zones is the 411,000 hectare Capanda Agro-Industrial Complex, which is located in the Cacuso municipality in the north of...
Angola some 380 km east of the capital Luanda (International Finance Corporation, 2019). The anchor farms in the Capanda Agro-Industrial Complex are the Bioenergy Company of Angola (Biocom), the Molda Terras farm, the Montenegro farm and the Socamia farm. Biocom produces sugar targeted for the domestic market, electricity from biomass for the Angolan National Energy Company and ethanol for the European market. The company, which began operating in 2014, provides jobs for around 3,000 workers (VerAngola, 2020). Meanwhile, the Socamia farm produces rain-fed maize, which the French-based Castel Group uses for the local production of beer (Further Africa, 2019).

2.2. Luanda-Bengo special economic zone

The Luanda-Bengo Special Economic Zone, the only special economic zone in Angola, was established as a State-owned enterprises (a subsidiary of Sonangol) in 2009 and covers an area of 840,000 hectares. The zone is located around 25 km from the centre of the country’s capital Luanda and had 80 operational businesses in 2020 (Luanda-Bengo Special Economic Zone, 2020). Several State-owned industrial units in the zone are being auctioned off as part of PROPRIV.

One of the latest businesses to open in the Luanda-Bengo Special Economic Zone is a tractor assembly plant belonging to Kaheel Agricultura Angola, which is expected to assemble up to 3,000 tractors annually for the local market and possibly the Democratic Republic of the Congo. The project was facilitated with the support of the Private Investment and Export Promotion Agency of Angola – a government agency established in 2018 to promote greenfield foreign direct investment that boosts Angolan exports (Luanda-Bengo Special Economic Zone, 2020).

Figure 8: Value of the Angola private investment and export promotion agency registered investment projects at end-september 2020

(Millions of United States dollars)


According to the Angola Private Investment and Export Promotion Agency (2020), registered investment projects under the initiative had already created nearly 5,200 jobs between August 2018 and September 2020. These projects have the potential to generate around 19,000 local jobs at full capacity (see figure 8). The majority of the projects are located in the Luanda-Bengo Special Economic Zone and are in the manufacturing industry. The total value of manufacturing industry projects registered with the agency at the end of September 2020 was nearly $1.5 billion, followed by construction with $686 million.
3. CAMEROON

The economy of Cameroon has been growing at a steady rate in recent years, with real GDP annual growth averaging 4.5 per cent between 2010 and 2019 (see figure 9). This constant economic expansion was accompanied by the country's unemployment rate declining from 4.1 per cent in 2010 to 3.3 per cent in 2019 (World Bank, 2021). The economic momentum was halted in 2020 when the economy was ravaged by the COVID-19 crisis, and the dual shock of both the pandemic and the commodity price slump resulted in a deterioration in virtually all economic markers. To add to this, continued conflict in the Anglophone region further shook the country, while localized flooding wreaked havoc. These developments are expected to result in increased job losses in the short term, with current forecasts suggesting that the unemployment rate will decline to 4.9 per cent in 2021, after rising from 3.3 per cent in 2019 to an estimated 5.2 per cent in 2020.

The lack of infrastructure development has caused a significant drag on growth, and consequently employment opportunity. Cameroonian authorities have taken noteworthy strides in recent years to expand the country's infrastructure in order to improve the business environment and create sustainable employment opportunities.

Figure 9: Annual change in labour market indicators for Cameroon (percentage)


Notwithstanding the country’s steady progress in reducing unemployment prior to the COVID-19 pandemic, the high level of youth unemployment remains a persistent concern in the labour market. Young people represent 78 per cent of the population, with more than 50 per cent of them living in rural areas (International Fund for Agricultural Development, 2020). Consequently, various programmes have been successfully launched to tackle youth unemployment, and there has been a strong drive by local government and regional authorities to fund infrastructure development in order to advance economic development. To this end, the Central African Economic and Monetary Community launched its Regional Economic Programme, consisting of 84 infrastructure projects, geared towards boosting growth in Central Africa by 2025 (Radio France International, 2020).
KEY JOB CREATION INITIATIVES

3.1 Tax incentives to fight youth unemployment

In 2016, the Government of Cameroon introduced a tax incentive scheme that was aimed at promoting youth employment in the country. The scheme incentivizes businesses to employ individuals younger than 35 years of age by exempting them from all wage and employer-related deductions (except for social security contributions) for those employees. Roughly 1,500 jobs were created by the scheme during the first three years. The tax incentive was initially only meant to be in effect until 2019, but because of its success, the scheme was made permanent by the 2020 Finance Act.

To benefit from these exemptions, businesses need to submit a list of individuals employed from 1 January 2017 to their local tax office. The scheme only applies to employment contracts and not labour leasing contracts. The rationale behind this exclusion is that labour leasing contracts involve specialized companies that provide labourers in return for compensation, and such a service is considered a commercial contract as opposed to an employment contract (Business in Cameroon, 2020).

3.2 Promoting youth entrepreneurship

Another larger scale youth employment initiative, called the Youth Agro-pastoral Entrepreneurship Programme, was launched by the Government in 2014 and scheduled to run until 2023. The programme is aimed at achieving two main outcomes: to support young people in the creation and management of successful agropastoral enterprises; and to promote a political, organizational and institutional framework that is favourable to the creation and development of agropastoral enterprises for young people. The total cost of the programme is estimated at $73 million.

The Youth Agro-pastoral Entrepreneurship programme is concentrated in the four regions of Cameroon (the Centre, the South, the Littoral and the North-West) which encapsulates approximately 40 per cent of the population of young individuals residing in rural areas. The programme follows an incubation approach, to eliminate constraints, to improve access for young entrepreneurs to various services and to support the development of businesses in the various value chains.

Feedback on the progress of the programme at the end of 2020, indicated that the it was 53.9 per cent complete, and that the level of achievement was satisfactory, despite the impact that COVID-19 has had on the country, and the sociopolitical unrest in the Anglophone region. Results showed that 1,993 new agropastoral businesses had been established, of which 38.8 per cent were managed by women, with a long-term goal of establishing 3,700 companies. These developments also contributed to the creation of 7,972 new jobs in the agricultural sector. The focus of the programme in 2021 will be on refining the businesses already created to ensure that they can operate autonomously, while ensuring the sustainability of the agricultural activities promoted by the programme (International Fund for Agricultural Development, 2020).
4. CÔTE D’IVOIRE

Côte d’Ivoire has experienced robust economic growth since the end of the second Ivorian civil war in April 2011, with the real economy growing by an average annual rate of 8.1 per cent between 2012 and 2019 (see figure 10). This rapid growth was accompanied by a significant improvement in the country’s unemployment rate, which decreased from 7.2 per cent in 2012 to 3.2 per cent in 2019 (World Bank, 2021). The COVID-19 outbreak in 2020, however, will severely hamper the domestic economy and, consequently, result in a spike in the unemployment rate. Despite this, Côte d’Ivoire is expected to weather the pandemic relatively well, compared with the rest of the continent, owing to the robustness of its local economy.

As the world’s largest producer of cocoa, Côte d’Ivoire (along with Ghana) took steps in 2020 to reduce farmer poverty by introducing a $400/ton premium, often referred to as a living income differential. This premium has, however, resulted in a notable oversupply of cocoa during this time of economic crisis as it artificially props up prices. The long-term impact and viability of the premium is yet to be established.

Figure 10: Annual change in labour market indicators for Côte d’Ivoire (percentage)

In recent years, there has been a strong focus on industrial development in Côte d’Ivoire, which has been accompanied by efforts to increase the level of skills of the country’s workforce. This is equally important for reducing the domestic economy’s reliance on cocoa and reducing poverty in the country.
**KEY JOB CREATION INITIATIVES**

### 4.1. Tackling youth unemployment

The Ivorian authorities launched the Youth Employability and Insertion Support Programme towards the end of 2013 in an attempt to change the country’s labour force profile in the wake of the civil war that ended in 2011.

The programme was initially meant to run between December 2013 and April 2014 and comprised three components: offering support to vocational training and employment reforms; improving the relevance and governance of higher education and scientific research; and improving sector coordination. It was intended to directly benefit 59,000 vocational training students, 155,000 higher education students and 2,000 unemployed young people throughout various sectors and industries. Funding came from the African Development Fund and totalled $28.5 million (a $21 million loan and a $7.5 million grant).

The Youth Employability and Insertion Support Programme ran longer than initially projected and concluded in March 2015. Outcomes were largely positive, with 108,384 individuals benefitting from vocational training, compared with an initial target of 59,000 people. Beneficiaries were equally distributed, with roughly 50 per cent of them being female. A total of 301,226 students and scholars benefitted from the programme, 43 per cent of which were female. In addition, three educational support facilities were constructed (or rehabilitated). One metric where the initiative came up short was in terms of job creation – only 1,500 jobs were created, despite the original target of 2,000 jobs. Around 49 per cent of the 1,500 jobs were filled by female candidates (African Development Fund, 2017).

### 4.2. Advancing trade in West Africa

In an attempt to increase capacity and enhance job creation, construction on a new container terminal at the port of Abidjan started on 5 October 2020. The port, responsible for approximately 90 per cent of the country’s foreign trade, will be able to accommodate ships carrying up to 15,000 containers when the terminal is completed, compared with its current maximum capacity of 3,500.

According to Hien Sié, General Manager of the Abidjan port, the completion of the new terminal will enable the port to compete with all other ports in Africa in terms of ship reception, infrastructure and storage capacity. The new terminal is aimed at capturing more trade traffic from landlocked countries in the region, such as Burkina Faso, Mali and the Niger (Mieu, 2020).

It is estimated that 800 jobs will be directly created through the construction and eventual operation of the port, while it is likely that many other jobs will be indirectly created through the positive externalities that will stem from the port’s increased capacity. Not only will Côte d’Ivoire be able to transport more of its own export commodities to the international market, but it will also enable the country to facilitate maritime trade on behalf of landlocked countries in the West African region. This will contribute to the development of the country’s industrial and services sectors, and, consequently, create more skilled employment opportunities. In addition, it can lead to a reduction in the domestic economy’s dependence on the agricultural sector to reduce unemployment, while tackling severe poverty among the country’s most vulnerable. Construction for this project is estimated to be completed in April 2022 (Ship Technology, 2020).
5. EGYPT

Egypt is one of the few global economies that seems to have shown resilience in the face of the COVID-19 pandemic. Although economic growth came in at around 1.2 per cent in 2020, from 5.7 per cent in 2019 (see figure 11), it remained in positive territory, reflecting the economy’s ability to absorb some of the shocks brought about by the pandemic. This can largely be attributed to several macroeconomic reforms, backed by the International Monetary Fund, that have been adopted since 2016. In addition, the Government was quick to implement several initiatives to support the hardest-hit industries at the onset of the pandemic.

Figure 11: Annual change in labour market indicators for Egypt (percentage)

Notwithstanding the relative resilience of the economy, the country did not entirely escape the devastating effects of various COVID-19 restrictions. The unemployment rate rose to 9.6 per cent in the second quarter of 2020, from 7.7 per cent in the first quarter, reflecting a loss of 2.7 million jobs the second quarter. As COVID-19 restrictions eased and normal daily activities resumed, the unemployment rate fell to 7.2 per cent in the third quarter, reflecting the recovery of two million jobs during that quarter (Central Agency for Public Mobilization and Statistics, Egypt, 2021). The unemployment rate remained steady at 7.2 per cent in the fourth quarter, according to the latest agency figures.

While the economy is forecast to expand by 3.3 per cent in 2021, and grow at an annual rate of 3.7 per cent over the medium term, this will not be enough to meet the employment requirement of a fast-growing labour force.

KEY JOB CREATION INITIATIVES

5.1 Tackling skills mismatch

In 2016, the Government of Egypt launched a new national development framework entitled “Vision 2030”, aimed at building the foundation for sustainable economic growth through the pursuit of various economic, environmental and social targets. One of the ten pillars pursued under this framework is education and training – key in a country where a mismatch exists between the skills held by the workforce and those required by the private sector (Central Agency for Public Mobilization and Statistics, 2016). It is within this context that the Technical and Vocational Education and Training Reform Programme was established.
The initiative, which is co-funded by the Government of Egypt and the European Union, operates in 27 governates of the country. The main aim of the programme is to better align the education of young people with the needs of the labour market by encouraging them to learn a trade as an alternative to traditional academic learning (Technical and Vocational Education and Training Reform Programme, 2021). It provides shorter specialized vocational courses to students and graduates, focusing on labour-intensive industries, including tourism and hospitality, agriculture, food processing, ICT, renewable energy, textiles, building and construction, automotive technology, logistics and industrial engineering.

Progress has been made towards fulfilling the mandate of the programme. Around 45,000 career guidance cases have been managed; 90 schools and training centres have been renovated; 1,320 internship opportunities have been provided to students; and 7,000 workers and job seekers, 4,000 technical teachers and 500 guidance facilitators have all completed training (Technical and Vocational Education and Training Reform Programme, 2021). Even with this progress, much still needs to be done for the programme to have the desired wide-reaching impact on the labour-intensive industries, which accommodate two million students each year.

5.2 Improving access to finance

Another key pillar of the Vision 2030 strategy is economic development; the development of a vibrant private sector is essential to that end (Arab Development Portal, 2016). It is within this context that the Government, along with various other stakeholders, has prioritized improving access to finance for micro-, small and medium-sized enterprises. Banks in Egypt are often hesitant to extend credit to these enterprises, thereby excluding them from formal financing channels. To tackle this issue, the Promoting Innovation for Inclusive Financial Access programme was launched in 2014. The programme, which was funded by the World Bank, concluded in 2019. The implementing agency for the programme was the Egyptian Micro, Small and Medium Enterprises Development Agency – formerly known as the Social Fund for Development. The key objective of the programme was “to expand access to finance for micro and small enterprises [in Egypt] using innovative financing mechanisms with a special focus on youth and women, as well as underserved regions” (Independent Evaluation Group, 2021, p. 1).

To achieve this, the agency was provided a credit line of $300 million and was tasked with extending the funds to participating financial institutions, which, in turn, provided financing in the form of loans, equity or convertible debt to the enterprises. Overall, the programme exceeded its targets: three new financial products for micro-, small and medium-sized enterprises were introduced; the number of direct project beneficiaries was 174,488 (overshooting the target of 70,000); around 42 per cent of the beneficiaries were female-owned enterprises (compared with the 30 per cent target), while 44 per cent were youth-owned enterprises (compared with the 40 per cent target). The programme generated an estimated 71.4 million days of employment (Independent Evaluation Group, 2021).
6. ETHIOPIA

Ethiopia suffered a cataclysmic shock in 2020, as the pandemic pummelled the various channels of discretionary consumption, travel and tourism, and weakened investment disrupted its growth momentum. Although the eye of the COVID-19 storm had passed over the Ethiopian economy by the end of the 2019/20 fiscal year (which commences on 8 July), a return to economic health remains elusive. Favourable demographics and increased openness to foreign capital, combined with a narrowing of the infrastructure deficit, should catapult the country’s annual growth rate above the 6 per cent barrier from 2022 onwards (NKC African Economics, 2021).

The phased liberalization of the telecommunications sector will set the tone for broader services sector reform, ultimately extending into financial market deepening, and progress towards opening the lucrative banking sector to foreign investors. Along with accelerated growth, these initiatives will be pivotal in the expansion of the formal labour market and strengthening household income. Employment opportunities created by investment projects licenced by the Ethiopian Investment Commission stood at 3,211 permanent positions and 1,634 temporary positions during the 2019/20 fiscal year (National Bank of Ethiopia, 2020). Figure 12 shows the evolution of the labour market from 2010 to 2020.

Figure 12: Annual change in labour market indicators for Ethiopia (percentage)

![Figure 12: Annual change in labour market indicators for Ethiopia (percentage)](image)


Data sources on the unemployment rate differ in their estimates but generally report very low figures (partly the result of a highly informal labour market). The World Bank reported the unemployment rate to be around 1.8 per cent in 2019, with higher estimates placing the proportion of the labour force actively seeking employment in the formal sector at 2.1 per cent. Referring to data received from the Federal Urban Job Creation and Food Security Agency, the National Bank of Ethiopia’s 2019/20 Annual Report (National Bank of Ethiopia, 2020) showed a tremendous strengthening in employment through micro and small enterprises during the 2019/20 fiscal year, when 111,547 new enterprises were established, leading to the employment of nearly 1.6 million people. These enterprises received 7.7 billion Ethiopian birr in loans during the 2019/20 fiscal year, up from 7.3 billion birr in the 2018/19 fiscal year (National Bank of Ethiopia, 2020).
6.1. Strengthening partnership with the private sector

Guided by the Government’s job creation strategy in collaboration with the private sector, the Young Africa Works in Ethiopia initiative was launched in 2019 in partnership with the Mastercard Foundation (which committed an initial $300 million to the programme) and the country’s Jobs Creation Commission. The initiative is intended to deepen growth and create employment opportunities in the tourism, agricultural, manufacturing, and the ICT sectors. One avenue through which these goals can be achieved is by supporting entrepreneurs and micro-, small and medium-sized enterprises, and providing them with access to finance, skills development and business development support.

The first phase of the initiative consists in implementing partners (including Kifiya Financial Technology, the International Centre for Insect Physiology and Ecology, First Consult PLC and DAI Europe) contributing a cumulative value of $119 million, with the aim of creating more than 1.4 million direct work opportunities. The overall goal is to create 10 million job opportunities by 2030 (Mastercard Foundation, 2019).

In turn, the Jobs Creation Commission and the Mastercard Foundation spearheaded the creation of the Enabling Ethiopia programme, a five-year programme designed to implement the core objectives of the Plan of Action for Job Creation 2020–2025, which was launched in October 2019 (Jobs Creation Commission, 2019). The plan of action was intended to create 14 million employment opportunities by 2025 through the adoption of pro-employment policies (specifically to support women, people with disabilities and young people), such as lowering barriers to entry for entrepreneurs, creating a structured labour market information system and implementing resource optimization tools. The Enabling Ethiopia programme is aligned with the Young Africa Works initiative.

6.2. Building capacity in the agrifood industry

In 2017, the Ministry of Agriculture and Natural Resources unveiled the Rural Job Opportunity Creation strategy, which was aimed at creating job opportunities in rural areas. The European Commission (2019) released recommendations on policy support for the strategy in 2019, including the development of industrial agroprocessing parks, irrigation facilities, livestock extension services and social programme support via labour subsidies or a productive safety net programme. The Commission determined that livestock offered the greatest employment-generation capacity, followed by cash crops, food crops and agrifood industry. Increased investment (partly via a reprioritization of public spending) in agroprocessing industrial parks should result in good absorption capacity and hence boost job creation, production-factor income and household income, according to scenario simulations. In addition, the rural development strategy sets out steps to tackle the issue of migration to urban areas, in particular Addis Ababa.
7. GHANA

The country’s strong economic growth trajectory over the past decade, averaging at an annual rate of 6.8 per cent (Ghana Statistical Service), has made the economy more resilient against external shocks. As a result, the broader impact of the COVID-19 pandemic is expected to be less severe on the Ghanaian economy, as the country endured a three-week partial lockdown, compared with more severe restrictions and measures imposed in other countries on the continent. As such, the Ghanaian economy expanded by 0.2 per cent year-over-year during the first three quarters of 2020.

In August 2020, a study conducted by the World Bank in collaboration with the Ghana Statistical Service and the United Nations Development Programme, revealed that roughly 770,000 people (25.7 per cent of the total workforce) saw a reduction in wages, while around 42,000 people lost their jobs as a result of the first onslaught of the pandemic (World Bank, Ghana Statistical Service and United Nations Development Programme 2020). The pandemic still had a significant impact on many Ghanaian firms, with many forced to cut costs by reducing staff hours, lowering wages, and in some cases, letting people go permanently.

Figure 13: Annual change in labour market indicators for Ghana (percentage)

Employment creation has remained low despite a robust growth trajectory


The strong growth trajectory over the past decade, however, did not translate into more job opportunities as one would expect (see figure 13). According to the World Bank (2021), the unemployment rate rose steadily from 4.6 per cent in 2006 to 6.8 per cent in 2015, before falling considerably in 2016 and 2017, but ticked up yet again in 2019.
7.1. Structural employment transformation

Agriculture plays an important role in Ghana, both from an economic growth and an employment perspective. The rapid economic growth trajectory and the subsequent rise in household income and urbanization has resulted in an increased demand for processed foods. As such, local authorities have targeted agroprocessing as a key industry to deliver on the country’s need for processed foods, while, in turn, shifting the country’s workforce from the agricultural sector to the industrial sector, especially manufacturing (see figure 14).

Figure 14: Employment by sector, Ghana
(Percentage)

In general, the agroprocessing and manufacturing industries are ideal for job creation as they are seen as sustainable and labour-intensive. Furthermore, in many African countries, agroprocessing is one of the most important subsectors in the manufacturing sector. A stronger agroprocessing sector, with close agriculture-industry linkages, was a key aim of the second phase of the Ghana Shared Growth and Development Agenda, 2014–2017 (National Development Planning Commission, 2015). The goal was to enhance employment generation, contribute to enterprise development, diversify rural economies, and create substitutes for imported products. To achieve this goal, the Government set up the Industrial Development Fund to support the indigenous manufacturing sector, by directly subsidizing agroprocessing and light manufacturing enterprises.

Small and medium-sized enterprises tend to dominate the agroprocessing industry in Ghana. Nevertheless, the industry continues to play a significant role in the country’s economy. According to the Ghana Exports Promotion Authority, the industry grew at a robust annual rate of 14.9 per cent between 2008 and 2013 (Owoo and Lambon-Quayefio, 2017). National-level data on employment in industry are mostly lacking; however, Ampadu and Omari (2015) have demonstrated that the agroprocessing industry is a key source of employment for rural communities in Ghana, specifically for women, who tend to dominate employment in that sector.

General employment data provided by the World Bank show that the Government has been successful in achieving structural employment transformation thus far. As such, the proportion of industrial employment to total employment almost doubled over the past decade. More specifically, industrial sector employment rose from 13.7 per cent in 2010 to 22.2 per cent in 2020.
8. KENYA

According to the Kenya National Bureau of Statistics (KNBS), the onset of the global financial crisis and recession had cut growth sharply in 2008 (0.2 per cent), with only a modest pickup in 2009 (3.3 per cent) due to drought conditions in the country. Growth then recovered to 8.4 per cent in 2010, before slowing to an average annual growth rate of 5.6 per cent between 2011 and 2019. Figure 15 shows the annual change in the labour market between 2010 and 2020.

However, the headwinds of the COVID-19 pandemic have battered the economy, which slipped into recession in the third quarter of 2020 (-5.5 per cent year-over-year in the second quarter of 2020, and -1.1 per cent year-over-year in the third quarter of 2020) (KNBS, 2015, 2020a and 2021).

Employment grew at an average annual rate of 5.4 per cent between 2010 and 2019, outpacing labour supply. Most of the country’s jobs (more than 80 per cent) are in the informal sector. Employment growth in the informal sector averaged around an annual rate of 5.7 per cent between 2010 and 2019, compared with an annual rate of 4.3 per cent in the formal sector (KNBS, 2015, 2018 and 2020a). The country’s labour market remains susceptible to economic downturns as informal jobs have limited legal protections – during times of economic uncertainty, job cuts are more likely in the informal sector than in the formal sector.

Figure 15: Annual change in labour market indicators for Kenya (percentage)

![Labour market dominated by informal sector employment](image_url)


Containment measures to curb the spread of COVID-19 led to significant job losses. Data show that the unemployment rate surged from 5.2 per cent in the first quarter of 2020 to 10.4 per cent in the second quarter 2020, when severe containment measures were in place. The rate improved slightly to 7.2 per cent in the third quarter of 2020 following the easing of lockdown measures (KNBS, 2020b). Notwithstanding the labour market’s susceptibility to economic downturns and the challenge of informality, some initiatives have been successful in creating job opportunities.
KEY JOB CREATION INITIATIVES

8.1. Promoting youth-owned enterprises

According to the Gazette (Kenya, 2006, Supplement No. 89), the Youth Enterprise Development Fund is a State-owned corporation “mandated to provide financial and business development support services to youth-owned enterprises”. The fund is intended to create employment opportunities for young people through entrepreneurship, especially as roughly 80 per cent of the country’s unemployed are below 35 years of age. It provides loans to youth enterprises, facilitates the development of linkages between youth enterprises and large enterprises, provides trading premises and worksites, helps young people to obtain jobs abroad, and it offers business development support services (Youth Enterprise Development Fund, 2021).

The latest performance report of the fund shows that, between June 2016 and May 2019, some 508,368 young people were trained in entrepreneurship, and 10,767 young people were assisted in marketing their products both locally and internationally. In addition, 1,653 young entrepreneurs were provided with affordable trading spaces; and 26,015 young people were assisted with acquiring jobs abroad. During the three-year period, the fund disbursed 326 million Kenyan shillings in loans to 525 youth enterprises (Youth Enterprise Development Fund, 2019).

8.2. Access to digital job opportunities

In 2016, the Government launched the Ajira Digital Programme, an initiative driven by the Ministry of ICT, Innovations and Youth Affairs in partnership with the private sector, to empower more than one million young people to access digital job opportunities. The programme is intended to “position Kenya as a choice labour destination for multinational companies as well as encourage local companies and [the] public sector to create digital work” (Ajira, 2020b). The main objectives of the programme include: raising the profile of digital work; promoting mentorship and a collaborative learning approach to finding digital work; and providing Kenyans with access to digital work. To achieve these objectives, the programme provides young people with access to ICT infrastructure, including innovation hubs and connect centres; and it provides them with the education and skills required to improve their employability in the digital economy (see figure 16).

Figure 16: ICT sector growth and employment in Kenya

To kickstart the Ajira Digital Programme, more than 150 youth officers were recruited and deployed in all counties to assist Kenyans in participating in the programme. According to the ministry, young people were trained and provided with more than 50,000 work opportunities (Ajira, 2020a). This number is expected to rise due to labour market changes caused by COVID-19 restriction measures. At the end of January 2021, the platform had 21,699 job opportunities listed, of which 5,682 jobs were local and the rest international (Ajira, 2020c).
9. MAURITIUS

Since gaining independence in 1968, Mauritius has transformed from a low-income, agriculture-based economy to a high-income, services-orientated economy. Although the island nation was the first African country to get the COVID-19 pandemic under control, the collapse in tourism and prolonged containment measures have crippled its economy.

The pandemic has had a significant adverse effect on unemployment in every industry and major demographic group in the country. According to the Bank of Mauritius (2021), at least 62,000 people ended 2020 without a job, which represents an increase of 56 per cent, compared with the rate of unemployed people in 2019 (see figure 17). The threshold of 100,000 unemployed, however, has not been crossed, as initially feared by the Minister of Finance, Economic Development and Planning, Renganaden Padayachy.

Towards the end of 2020, the World Bank established that the majority of job losses in Mauritius concerned self-employed workers and the restaurant industry. Its analysis of the socioeconomic effects of the pandemic made it possible to establish that women and young people (between 16 and 24 years of age) would be the most negatively affected (Ranzani and Cheung Kai Suet, 2020).

In response to the COVID-19 pandemic, the Government implemented a wage support scheme and self-employed assistance scheme. The purpose of the two schemes was to mitigate the socioeconomic impact of the pandemic, by providing financial support to those who had become unemployed on a temporary basis, and those who were employed in informal sectors or self-employed.

Meanwhile, temporary amendments were made to the Workers’ Rights Act 2019 (Act No. 20 of 2019) and the Employment Relations Act (Amendment) Act 2019 (Act No. 21 of 2019) under the COVID-19 Miscellaneous Provisions) Bill (No. I of 2020) to protect the rights of workers and support businesses (International Monetary Fund, 2021).

Figure 17: Annual change in labour market indicators for Mauritius (percentage)

The country’s unemployment rate declined from 7.7 per cent in 2014 to 6.7 per cent in 2019 (Statistics Mauritius, 2020). More specifically, the unemployment rate among women decreased from 11.4 per cent in 2014 to 10.2 per cent in 2019, while the unemployment rate among men dropped from 5.4 per cent to 4.3 per cent during the same period.
9.1. Improving the employability of young people

Poor communication skills, lack of professional experience, and general skills mismatch are key barriers that hinder young Mauritians from entering the labour market. Local authorities created the Youth Employment Programme to tackle the country’s relatively high level of youth unemployment. Established in 2013 and run by Skills Working Group, the primary goal of the programme is to foster the acquisition of employable skills among young people under 30 years of age. This is done by placing them in organizations for one year of on-the-job training. Of the 6,450 young people who registered on the group database in January 2014, around 3,605 (55.9 per cent) were placed in organizations (Ministry of Labour, Industrial Relations and Employment, 2014). From a broader perspective, the country’s youth unemployment rate for those between 16 and 24 years of age fell from 24.7 per cent in 2014 to 22.8 per cent in 2019, while the unemployment rate of young people between 25 and 29 years of age dropped from 11.1 per cent to 10.9 per cent during the same period (Statistics Mauritius, 2020).

9.2 Diversification and micro-, small and medium-sized enterprises

Economic diversification has helped Mauritius to maintain stable economic growth and relatively low unemployment levels. Notably, the development of micro-, small and medium-sized enterprises offer a viable means of reducing unemployment, as they provide direct and indirect job opportunities in various sectors. In Mauritius, specific emphasis has been placed on bolstering the environment for these enterprises through various measures, schemes, policies and regulations. The National SME Incubator Scheme is one of the key schemes of the Mauritius Research and Innovation Council (2021), which is aimed at promoting the inception and development of innovative start-ups that are facilitated by a network of private sector-led accredited business incubators. The scheme has been in operation since December 2017, and had already incubated 181 projects and graduated 13 start-ups as of January 2021.

9.3 Work and residence permits

The United Nations (2019) expects the island’s population to decline from 1.27 million in 2020 to 1.18 million by 2050. In addition, its total dependency ratio (ratio of non-economically active population between 0 and 14 years of age and over 65 years of age) to the economically active population (between 15 and 64 years of age) is projected to rise as old-age dependency rises. The Finance Minister, Mr. Padayachy, voiced his concerns about the potential decline in the country’s population in his 2020/21 budget speech (Ministry of Finance, Economic Development and Planning, 2020). As a result, he implemented several measures to increase the influx of skilled immigrants and create more work opportunities (e.g., work and residence permits will be combined into one permit).
10. MOROCCO

The Moroccan economy came under increased pressure in the years preceding the COVID-19 pandemic, largely owing to volatility in the agricultural sector as the incidence of drought became more common. This, in turn, resulted in erratic GDP growth (see figure 18), which has hampered economic development. In addition, the country’s heavy reliance on tourism and foreign demand from the eurozone for its exports did not bode well for the economy in the face of the pandemic.

Overall, the economy contracted by 7.0 per cent in 2020, leading to a rise in unemployment. The unemployment rate rose to 12.3 per cent in the second quarter of 2020, from 10.5 per cent in the first quarter of 2020 and 8.1 per cent in the second quarter of 2019. This reflects a loss of 470,000 jobs in that quarter. Although the Moroccan economy started a slow and gradual recovery in the third quarter, the unemployment rate continued to rise to 12.7 per cent, reaching its highest level on record. This reflects a further loss of 321,000 jobs in that quarter (High Commission for Planning, 2021). More recently, the unemployment rate eased to 12.2 per cent in the fourth quarter of 2020. Going forward, the Government will have to prioritize inclusive growth and job creation if it is to reverse the detrimental effects that the pandemic has had on its labour market.

Figure 18: Annual change in labour market indicators for Morocco (percentage)

Sources: NKC African Economics (2021), World Bank (2021), International Monetary Fund (2020).

KEY JOB CREATION INITIATIVES

10.1. Working towards a greener Morocco

In recognizing the essential role of the agricultural sector in the economy, and the potential detrimental effects of climate change on the development of the sector, the Government launched the Green Morocco Plan in 2008 (Agricultural Development Agency, 2021). The plan, which ran until 2020, was intended to make the agricultural sector the primary engine of economic growth. To achieve this, the following objectives were set out: enhance the competitiveness of Moroccan agriculture; increase agricultural output and exports; promote investment in the sector; promote aggregation as a tool of organization (i.e., profit and input sharing, skills and technology transfer); increase resilience to climate change; and mobilize various stakeholders. The plan ultimately became the overarching policy of the Department of Agriculture. It is within this context that several programmes were established with the support of the Government of Morocco and various foreign donors (Faysse, 2015).
According to the Agricultural Development Agency, the Green Morocco Plan had achieved many of its objectives by 2018. Investment in the sector had amounted to more than 104 billion Moroccan dirham (at a ratio of 40:60 to public-private), agricultural GDP had almost doubled in size, and exports of agricultural products had increased by 117 per cent to 33 billion dirham. This allowed for the creation of more than 342,000 jobs, while the number of working days per year and per worker increased by 30 days/year to 140 days/year, owing to the expansion of cultivated areas, crop diversification and improved production (Agricultural Development Agency, 2021).

To further capitalize on the achievements made, the Green Generation 2020–30 plan was launched in 2020. The new plan is intended to shift the way Morocco thinks about agricultural development by moving towards an approach that not only focuses on production, but on building human capital, creating climate-smart rural value chains and fostering livelihoods (Mokena, 2020).

10.2. Fostering growth through industrial clusters

The Industrial Acceleration Plan was implemented by the Government of Morocco for the 2014–2020 period. The plan was intended to build on the successes of the National Pact for Industrial Emergence, which was implemented from 2009 to 2015 and targeted the development and modernization of six key export industries.

The purpose of the Industrial Acceleration Plan was to increase the industrial sector’s contribution from 14 per cent of GDP in 2014 to 23 per cent of GDP in 2020, and in doing so, create 500,000 jobs. This was to be achieved by establishing ecosystems or industrial clusters through the development of special economic zones and industrial areas. These clusters enabled industry-related firms (ranging from large firms to micro-, small and medium-sized enterprises), suppliers and service providers to operate in close proximity and benefit from supply chain links (Ministry of Industry, Commerce, Investment and Digital Economy, 2021).

Overall, most of the objectives set out in the Industrial Acceleration Plan were achieved. By 2018, around 405,496 jobs had been created in the sector, with impressive results in the automotive, aeronautical, and textiles industries. More than 117,000 jobs were created in the automotive industry, while export revenue rose by 32 billion dirham to 72 billion dirham over the 2014–2018 period. Around 17,000 jobs were created in the aeronautical industry, and 185,000 Moroccans were employed by the establishment of 1,200 new textile companies (Morocco World News, 2020).

Going forward, the second phase of the Industrial Acceleration Plan is set to run from 2021 to 2025. This second phase is intended to consolidate the achievements of the first phase of the plan and replicate them throughout all Moroccan regions (Morocco World News, 2020).
11. NIGERIA

The Nigerian economy came under immense pressure when oil prices declined in 2015, a situation that was only exacerbated by lower oil production due to sabotage attacks in the Niger Delta region during 2016. The sharp slowdown in growth had significant adverse implications for labour markets (see figure 19).

The country’s weak policy response, with delayed decision-making and a shift towards a highly protectionist stance, as demonstrated by erratic monetary policy and foreign exchange management, only served to exacerbate the impact on the real economy. Unfortunately, oil prices again plummeted to multi-year lows as a result of the COVID-19 pandemic, placing the already fragile economy under severe pressure. Unemployment had increased from just 6.4 per cent at the end of 2014 to 33.3 per cent by end of 2020 (National Bureau of Statistics, Nigeria, 2020a), with labour force growth far exceeding job creation during most of that period.

Figure 19: Annual change in labour market indicators for Nigeria (percentage)

While the below-potential growth prospects and still-weak policy environment will constrain job creation in the future, some initiatives have still proved successful in creating employment.

KEY JOB CREATION INITIATIVES

11.1. Improved access to credit for agriculture

As part of its diversification strategy, the Government of Nigeria launched the Anchor Borrowers’ Programme in 2015. The programme was intended to support smallholder farmers, strengthen linkages with larger agroprocessors (i.e., anchors), boost domestic agricultural production and create additional employment. Smallholder farmers are eligible for preferential loans backed by funds provided by the central bank. These loans are dependent on agreements between the relevant parties in the supply chain, including farmers, providers of input materials, and processors. Loans to farmers are to be repaid from the proceeds derived when delivering produce to the anchors.

The design of the Anchor Borrowers’ Programme has many advantages. It provides smallholder farmers with immediate funding to procure the input materials needed to commence operations and to pay for additional labour to increase production.
The programme also includes training and support elements. It involves many supply chain participants rather than just focusing on a specific segment of the chain, linking more formal and larger businesses with more informal ones, which allows for the transfer of skills and knowledge. Finally, the programme is targeted at a sector that is very labour-intensive, especially if smallholder farming operations are scaled up.

Initially, the funding made available for the Anchor Borrowers’ Programme was roughly 220 billion Nigerian naira when it was launched in 2015. According to the Governor of the Central Bank of Nigeria, Godwin Emefiele, a total of 862,069 farmers had benefitted from the programme by October 2018 (Central Bank of Nigeria, 2018). Mr. Emefiele further stated that programme had generated some 2.5 million jobs since its inception.

In recent years, the agricultural sector has benefited from support provided by the programme. This was demonstrated by the country’s agricultural sector performance in terms of aggregate output, which consistently exceeded overall GDP growth during the 2016–2019 period (see figure 20), despite the rest of the economy recording sluggish growth rates.

**Figure 20: Average output growth in Nigeria, 2016–2019 (Percentage)**


### 11.2 Private mega-project in the special economic zone

Both foreign and domestic investment in Nigeria has been well below potential in recent years, partly due to the challenging environment and to policy uncertainty. This, however, did not prevent the Dangote Group from commissioning the construction of the continent’s largest oil refinery, with a capacity of 650,000 barrels per day. Located in the Lekki Free Trade Zone, construction is set to be completed in 2022–2023. In addition, construction on other projects is underway, including a large fertilizer plant. Aside from the jobs created through construction, estimates of permanent employment opportunities at the refinery, once complete, vary significantly, from around 10,000 direct jobs to as high as 100,000–300,000 indirect and induced jobs.
12. RWANDA

The domestic economy in Rwanda has been on a roll over the past few years, leading the charge within the rapidly expanding East African region. The economy expanded at a rate of 9.4 per cent in 2019 (National Institute of Statistics of Rwanda, 2020a), on the back of robust demand and government spending. Figure 21 shows the annual change in the Rwandan labour market from 2010 to 2020.

The COVID-19 pandemic, however, saw the economy screech to a halt in 2020. Movement restrictions disrupted economic activity, while travel bans had a devastating impact on the country’s nascent tourism industry.

Consequently, the unemployment rate rose from 13.1 per cent in February 2020 to a multi-year high of 22.1 per cent in May 2020, according to official labour force survey data. That said, the unemployment rate declined by 6.1 percentage points to 16 per cent in the three months ended August 2020. The female unemployment rate (19.7 per cent) remained notably higher than the male unemployment rate, which stood at 13.0 per cent (National Institute of Statistics of Rwanda, 2020a). The closure of schools (owing to COVID-19 restrictions) has seen students increasing their involvement in the labour market, with the number of young individuals combining studies and employment having increased from around 123,000 in early 2020 to almost 324,000 in August 2020 (National Institute of Statistics of Rwanda, 2020b).

Figure 21: Annual change in labour market indicators for Rwanda (percentage)


The country’s manufacturing sector grew by an annual average rate of around 9 per cent between 2015 and 2019, accounting for around 8 per cent of GDP. The manufacturing sector is dominated by food production – accounting for 32 per cent of total manufacturing production in 2019; and the beverages and tobacco subsector – accounting for around 25 per cent of total manufacturing output (National Institute of Statistics of Rwanda, 2020a).

Rwandan factories, however, could not operate at full capacity for most of 2020, since workers were unable to go to work due to lockdown measures. The industry and the services sectors form a crucial part of the Rwandan economy – from an employment and foreign currency-generation perspective. Early data releases show that the industry sector has rebounded quicker than the services sector as lockdown measures eased somewhat, but travel has remained muted. A similar trend in employment patterns is expected going forward, as economic conditions continue to normalize gradually.
12.1 Promoting inclusive and sustainable jobs

Job creation is a key component of the country's first National Strategy for Transformation 2017–2024, which sets out to create 1.5 million so-called “decent and productive” (off farm) jobs over a seven-year period (Rwanda, Ministry of Finance and Economic Planning, 2017). The Government has identified agroprocessing, horticulture, manufacturing, value addition to minerals, construction, tourism and transport, along with knowledge-based services and creative art, as high priority areas.

A collaborative partnership among officials, the private sector, trade unions and the National Labour Council is intended to promote inclusive growth and programmes that will help to lift people out of poverty. Between 2018 and 2019, the number of off-farm jobs rose by 6.4 per cent to just under 121,000 new jobs. The industries that contributed the most were the transport and storage industry (+25 per cent), accommodation and food service activities (+22 per cent), followed by education (+9.5 per cent) (National Institute of Statistics of Rwanda, 2020c).

Following the devastating impact that COVID-19 has had on the country, the Government had put forward a budget for the 2020/21 fiscal year, under the theme: “Safeguard livelihoods, jobs, businesses and industrial recovery”. The Ministry of Finance allocated 16.2 billion Rwandan francs towards job creation and entrepreneurship promotion. Government officials hope to create 205,500 decent and productive jobs during the current fiscal year, as set out in the first National Strategy for Transformation. In addition, a budget has been provisioned for 7,560 start-up tool kits to assist graduates of technical and vocational education training programmes (Rwanda, Ministry of Finance and Economic Planning, 2020).

12.2 Business hub for Africa

The industrial sector in Rwanda is dominated by the construction subsector, with the latter recording an average annual expansion of around 10 per cent between 2015 and 2019 (National Institute of Statistics of Rwanda, 2020a), becoming a key driving force behind overall economic growth – with public-sector investment playing a key role. Past government investment has led to strong growth in exports, including tourism and transport services, while the country has increasingly positioned itself as a transit hub and a re-exporter of goods from East African ports.

In line with the country's aim of improving and sustaining air transport infrastructure, the Government recently reported that major expansion projects at Kigali International Airport were close to completion, while construction of the New Bugesera International Airport was 35 per cent complete (Rwanda, Ministry of Finance and Economic Planning, 2020). Large infrastructure projects such as these have created a number of temporary work opportunities over the years. This strategy fits with the authorities’ ultimate aim of making Rwanda a highly competitive, agile, open and innovative economy with a favourable business climate – and, in doing so, help to create more sustainable jobs over the medium to long term.
13. SOUTH AFRICA

South Africa had severe unemployment issues going into 2020, and the COVID-19 pandemic further devastated the labour market (see figure 22). According to Statistics South Africa (2021), the country suffered a GDP contraction of around 7.0 per cent in 2020, with employment feeling the brunt of the economic pressures during the second quarter, when some 2.2 million jobs were lost. The third quarter saw only 543,000 of these jobs recovered. The latest figures show that the official unemployment rate reached 32.5 per cent in the fourth quarter of 2020.

Given the prevalence of discouraged workers, due to the pandemic restrictions, a more accurate picture of the labour market is reflected in actual employment figures – around 15 million South Africans were employed in the fourth quarter of 2020, compared with 16.4 million, in the fourth quarter of 2019, before the pandemic hit (Statistics South Africa, 2021). A projected 2.5 per cent GDP expansion in 2021 will be accompanied by further job creation, but the slow pace of recovery and further increases in the size of the labour market mean that unemployment will remain a concern for the medium to long term.

Figure 22: Annual change in labour market indicators for South Africa (percentage)

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KEY JOB CREATION INITIATIVES

13.1 Private sector leads the way

The Youth Employment Service initiative was launched in 2018 as a business-led collaboration between the Government and labour, with the aim of creating one million job opportunities for young South African job seekers. The initiative provides a 12-month-long, high-quality work experience programme that leverages technology to facilitate the pairing of individuals wanting to gain practical experience with organizations that are able to provide that experience. The aim is to improve the employability of individuals once the programme has run its course.

The initiative has reportedly facilitated more than 46,500 work experiences, with over 1,266 corporations signing up to the programme (Yes4Youth, 2020). As an additional incentive from a corporate perspective, the initiative allows for companies to improve their Broad-based Black Economic Empowerment status. The latter is a government policy that is aimed at improving economic equality by favouring businesses that employ previously disadvantaged individuals. The
Youth Employment Service initiative has reportedly resulted in more than 300 organizations improving their Broad-based Black Economic Empowerment status since its inception in 2018.

13.2 Targeted income relief

The Expanded Public Works Programme was created to provide poverty and income relief through temporary work for the unemployed. The projects that come under the programme, which span all spheres of Government and State-owned enterprises, provide employment to workers on a temporary or ongoing basis to transfer income to poor households. The programme is aimed at increasing the labour intensity of publicly funded infrastructure projects, while creating work opportunities through community, cultural and social programmes.

The most recent figures show that, through the programme, nearly 995,000 job opportunities were created in the 2019/20 fiscal year (see figure 23), with 42 per cent of employees considered as young people, while women accounted for 68 per cent of job opportunities (South Africa, Department of Public Works and Infrastructure, 2020).

Figure 23: Job creation through the expanded public works programme, South Africa

Source: Department of Public Works and Infrastructure, South Africa (2020).

Abbreviations: FY, fiscal year; lhs, left-hand side; rhs, right-hand side.

13.3 Payroll support

The South African Employment Tax Incentive initiative, which came into effect in 2014, is aimed at encouraging employers to hire young job seekers by providing tax incentives. The initiative is intended to reduce the employer’s cost of hiring young people through a cost-sharing mechanism with the Government. More specifically, the amount of pay-as-you-earn income tax paid by employers is reduced while leaving the employee’s nominal compensation unaffected. Qualifying employers are able to claim the incentive for 24 months for each qualifying employee. The qualifying criteria from an employee perspective centre around the age and income paid (with both a minimum and maximum remuneration to be considered), although the age criterion is exempted if the services rendered take place within a special economic zone. The initiative is scheduled to expire in February 2029.
14. TUNISIA

The economic structure of Tunisia has been shaped by a model orientated towards exports and industrialization. The economy is fairly diversified, with strong manufacturing and services sectors. Consumption has been an important engine of growth owing to hiring and a rise in salaries in the public sector. The services sector dominates in terms of its contribution to GDP. The State has a prominent role in the economy, with public services accounting for nearly one third of the services sector.

Tunisia spent the greater part of the second quarter of 2020 in a self-imposed isolation, stemming from the spread of COVID-19, which greatly impeded economic activity. Industrial production has recovered lost ground from the lockdown-induced decline seen in the second quarter, when real GDP contracted by 20.8 per cent year-over-year. Services sector stagnation, however, has continued to weigh on the economy, with real GDP declining by 5.8 per cent year-over-year during the third quarter of 2020. On an annual basis, real GDP is estimated to have declined by 8.6 per cent in 2020, from a 1.0 per cent expansion in 2019 (NKC African Economics, 2021). Figure 24 shows the annual change in the labour market for the period 2010–2020.

Figure 24: Annual change in labour market indicators for Tunisia (percentage)

The country’s unemployment rate has remained high since the period following the 2010 Arab uprisings, reaching 14.9 per cent in the fourth quarter of 2019. In 2020, as international travel was halted, tourism and other services sectors were especially hard hit, with unemployment increasing to 18.0 per cent in the second quarter of 2020 before declining to 16.2 per cent in the third quarter (National Institute of Statistics, Tunisia, 2021).

Youth unemployment in particular has been a concern, increasing steadily from 33.6 per cent in 2014 to 36.5 per cent in 2020. Many young Tunisians find it difficult to obtain a job and are first in the firing line in the event of restructuring during an economic downturn. In addition, unemployment among graduates has increased in recent years, which represents a serious social issue.
14.1 Economic stabilization and youth employment

The German Federal Ministry for Economic Cooperation and Development commissioned the Initiative for Economic Stabilization and Youth Employment in 2015. The project is aimed at supporting start-ups in inland areas of Tunisia, where economic conditions are most dire, via a range of advisory services and access to information technologies.

To date, through the project, more than 365 business founders and young entrepreneurs in economically disadvantaged regions of Tunisia have received support in their endeavours to develop their businesses, in creating new jobs and generating income. In addition, work has been created for 1,520 underemployed and unemployed individuals, 777 of them women (Deutsche Gesellschaft für Internationale Zusammenarbeit – GIZ, 2020). Finally, 48 entrepreneurs have been participating in a scheme that provides post-start-up advice in two pilot regions: Sfax and Kairouan.

14.2 Mashrou3i (my project)

Mashrou3i is a partnership with Hewlett Packard, the United Nations Industrial Development Organization, the United States Agency for International Development (USAID), and the Italian Cooperation Agency. The partnership is aimed at fostering entrepreneurship and job training among at-risk young people in interior regions of Tunisia that have the highest unemployment rates.

The project provides support to aspiring and existing entrepreneurs through training courses, business coaching and technical assistance. The goal is to reach 25,000 young entrepreneurs and to create 6,000 jobs in 14 governorates of Tunisia by the end of 2021 (Mashrou3i, 2017).

14.3 Jobs, opportunities and business success

Tunisia Jobs, Opportunities, and Business Success is a five-year project funded by USAID to support micro, small and medium-sized enterprises over the period 2018–2023.

The project is aimed at identifying and supporting high potential enterprises to improve their competitiveness, access to finance and strategic growth plans. Several key sectors have been targeted under the project, including agro-industry, light manufacturing and technology. In addition, efforts will be made to improve the skills match between vocational training institutions and the Tunisian labour market.
15. UNITED REPUBLIC OF TANZANIA

The economy of the United Republic of Tanzania has shown robust growth in recent years (see figure 25), with real GDP annual growth averaging around 6.7 per cent over the past decade (United Republic of Tanzania, National Bureau of Statistics, 2021). Relative to its economic growth, the country’s progress in reducing poverty and unemployment has been rather disappointing. Official figures from the National Bureau of Statistics (2018) showed that the unemployment rate improved slightly, from 10.3 per cent in 2014 to 9.7 per cent in 2018 (latest data available).

The previous ruling party, led by the former President of the United Republic of Tanzania, John Magufuli, took a series of counterintuitive steps in its response to the COVID-19 pandemic. The country avoided implementing a nationwide lockdown and was slow to unleash fiscal and monetary support measures. In June 2020, Mr. Magufuli announced that the country was “COVID-19 free”, only weeks after the authorities had stopped reporting the number of COVID-19 cases and deaths to the World Health Organization.

Figure 25: Annual change in labour market indicators for the United Republic of Tanzania (Percentage)


According to official figures, the country’s economy expanded by 4.8 per cent year-over-year in the first three quarters of 2020, making it one of the world’s star economies during that period (United Republic of Tanzania, National Bureau of Statistics, 2021). Given that the Government did not implement a national lockdown, it is unlikely that the country was able to fully escape the claws of the COVID-19 pandemic.

The United Republic of Tanzania urgently needs to transform its economy to create more productive jobs for its fast-growing population. The population is currently estimated at 59.7 million and is set to see explosive growth in the coming decades, reaching 129.4 million by 2050 (United Nations, 2019).
15.1. Supporting labour-intensive sectors

The country’s industrial sector is dominated by manufacturing and construction, with the latter directly stimulated by public investment in infrastructure development (see figure 26). As a result, the industrial sector has been the fastest-growing sector over the past few years (United Republic of Tanzania, National Bureau of Statistics, 2021). In addition, employment in the industrial sector has been on an upward trajectory since the early 2000s. Notably, between 2015 and 2020, some 8,477 new factories had been built, which created around 480,000 new job opportunities (United Republic of Tanzania, 2020).

Figure 26: Industrial sector growth for the United Republic of Tanzania (Percentage)


15.2. Securing partnerships with the private sector

During his 2020 state of the nation address, the former President Mr. Magufuli, laid out several investment plans to boost local production and develop key economic sectors, notably, agriculture, industry, trade and tourism. He stated that: “These sectors are the ones that employ the most Tanzanians. So, obviously, if we succeed in growing them, our economy will grow faster and thus reduce the problems of poverty and unemployment in the country” (United Republic of Tanzania, 2020). The plan was intended to push GDP annual growth to 8.0 per cent over the medium term and to create eight million new jobs by 2025. Mr. Magufuli noted that the success of the latter goals relied heavily on forming a good relationship with the private sector. The new President of the United Republic of Tanzania, Samia Suluhu Hassan, sang a similar song in her first speech to Parliament in April 2021.

15.3. Localization requirements and training

According to the country’s Non-Citizens (Employment Regulations) Act 2015 (No. 1. of 2015), the hiring of non-citizens is restricted to jobs for which local talent is unavailable. Legislation requires the employers to have succession plans in place, with the non-citizen employee eventually being replaced by a local worker.

Employers are, therefore, required during the non-citizen employee’s tenure to train a Tanzanian so that she/he will acquire the skills that will allow him/her to replace the non-citizen employee (International Labour Organization, 2015).
CONCLUSION

Some of the various employment initiatives undertaken on the continent have been identified, assessed and discussed in the present report. Many that have been successful seem to share some key characteristics. Assessing the success of an initiative, however, is not as clear-cut as merely counting the number of jobs created. The amount of resources committed to a project should be considered, and the amount of jobs created could, in some cases, not justify the resources committed – the potential counterfactual of how those resources might have been spent elsewhere should be kept in mind. Examining the nature of successful employment initiatives and seeing which features these initiatives have in common across countries allows for a more informed formulation of policy recommendations.

Finding an effective solution requires fully understanding a problem, and a salient feature of the unemployment problem in Africa is the prevalence of youth unemployment. This, in turn, can be attributed to a mismatch between the demand and supply of skills, which has been compounded by GDP growth that has not been particularly labour-intensive.

Both these issues can be dealt with by considering another overarching finding from the study: the importance of leveraging private-sector resources in pursing employment creation. Implementation efficiency and an intimate knowledge of the labour market mean that the private sector is ideally placed to facilitate skills development and develop work experience.

Furthermore, initiatives do not have to be sector-specific, but a clear focus on which channel is being pursued and specific objectives within that channel improve the odds of success. The key themes identified in the present report are – that employability matters, leveraging private-sector resources is important, and, good policy needs to be well-focused – all of which point to the following significant policy recommendations:

- **Employability matters:** Demographic trends suggest that youth unemployment will increasingly become a concern if no direct action is taken. Initiatives that improve the employability of young people, by generating opportunities to gain work experience or by supporting entrepreneurial endeavours, hold great potential in traversing the gap between labour demand and labour supply;

- **Leveraging the private sector:** The alignment of public-sector employment objectives with private-sector business objectives is a key success factor. Leveraging private-sector resources, by providing training incentives or by collaborating in public-private partnerships in formulating and implementing employment initiatives, markedly boosts the chances of success;

- **Broad-based yet focused:** Many of the initiatives are broad-based and do not target a specific sector; however, most successful initiatives seem to have a clear focus on a specific channel through which to stimulate employment. An example of this is the use of subsidies for skills development, which still allows market forces to determine which sectors see the greatest take-up of the initiative. Furthermore, irrespective of the sector targeted, it seems that initiatives that are aimed at involving participants from various segments of the value chain often have a greater impact. These projects often leverage the expertise of more commercial or advanced segments of the value chain to drive the transfer of skills, while boosting the competitiveness of the targeted beneficiaries. A clear focus and explicit objectives are critical, and simpler interventions can often be most effective.
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