Projections reveal that by the year 2050, the African population will be 1.3 billion with about 15-20 million constitute youth¹ and A Regional Situation Analysis Report on Africa’s youth and prospects for inclusive development by UNECA (2017) also purport that by 2050, the teeming number of young Africans are forecast to form one fourth of the world’s population. It is evident from the afores-tated that the choices, oppor-tunities and constraints of young people in the youthful continent of Africa will play a crucial role in shaping Africa’s development and although this may supposedly be positive and reaffirming news, it is not without its woes as this projected increase will also lead to a rise in social challenges that youth are currently still faced with – joblessness, struggle to access public resources and quality social services, limited to no involvement in policy formulation and programme design thereby limited to adhoc decision making.

Young people lack entrepreneur-rial skills to facilitate self employ-ment and even as they are considered digital natives they have not since benefitted greatly from their tech saviness. Digital inclusion for Africa’s youth is key to contributing to overall sustainable economic growth and for this to be fully harnessed there is need for youth maximum involvement in policy direction and also capacity building of youth social movements. Young people need to be present in all places where decisions are made especially where it directly concerns them.

This policy brief draws from the interventions and discussions from the virtual conference on “Youth Employability and the Entrepreneurship: Role of Digital economy”, held on November 10, 2020. The webinar first set the tone by providing the relevance of the opportunities as well as challenges that African youth currently are faced with regards to this webinar.

¹ World Bank Press Release, 20 September 2020
The United Nations country team followed with country specific examples on how youth innovate for solutions to mitigate these challenges and opportunities presented by the Coronavirus (COVID-19 henceforth) pandemic. The practicalities of young people innovating for solutions was provided by the International Trade Center, ITC, through its ecomconnect platform, an e-commerce community engagement platform with focus on entrepreneurs from the developing and least developing countries. The platform brings together micro, small and medium sized companies with a sole mandate of building connections, learning new skills and staying up to date with the latest tech news. Besides, it offers some useful activities like the pricing calculator and the marketplace finder. The former calculates the fees and costs associated with selling online marketplaces or the latter that identifies suitable marketplace in Africa. The activity was organized by the Institute of Development and Economic Planning (IDEP).

Context

Youth comprises a larger proportion of the world population. Over 1.3 billion of the total 7 billion world inhabitants are youth (UNDESA, 2018). The distribution of Africa’s youth in comparison with the rest of the world on the Graph 1 below shows the bulging youth population in Africa and also how youth will, for the next 40 years continue to lead with its young population. Although this is a welcome phenomenon in terms of the workforce in and for Africa – the demographic dividend - it doesn’t come without challenges, mainly economic and social. These challenges present a threat to the economic development of nations and therefore warrant for urgent solutions to be identified and enacted. Youth employment or lack thereof continues to be a key global challenge: research and statistics reveal that over 160 million young people are working and yet remain in poverty; 70 million are looking for jobs; 90 percent of these youths live in developing countries and about 17 percent are of African descent, a figure that is expected to double (ILO, 2018). From the afore stated statistics a clear conclusion can be drawn: that this escalating unemployment rate is particularly challenging and therefore calls for governments, both from developing and developed countries to address the root cause for the equation employment/unemployment and inequality, as well as find viable and urgent solutions.

Graph 1: Distribution of the Youth population (14 – 24 years) by region

Source: UNDESA (2015)
One of the social and economic impacts of the COVID-19 pandemic, worldwide, is the loss of jobs that come as a result of the lockdown and extreme social distancing measures. In Africa, for instance, the International Labor Organization (ILO) estimated that in the first month of the pandemic, the income deriving from the informal sector (major source of employment in the continent), was expected to drop 81 percent. According to ECA estimates, 19 million jobs will be lost due to the pandemics, increasing the levels of poverty and inequality. Furthermore, the McKinsey report states that between 9 to 18 million formal jobs in Africa can be lost or made redundant, whereas 30 to 35 million formal jobs will suffer a substantial decrease, due to the respective decrease of working hours.

Problem - challenges faced by young entrepreneurs in Africa

- **Little bandwidth or broadband coverage**
  
  Africa has the least developed telecommunication and internet network in all of Africa with the latter’s penetration of 16 percent and 8 out of 10 countries having the lowest internet access rates. This challenge is the main stumbling block to bridging Africa’s digital divide and getting entrepreneurs to reach a wider external market in beyond Africa.

- **Old fashioned financing methods**
  
  Financial institutions’ processes in most cases have been overtaken by current developments and are very stringent in terms of allowing access to the plethora of credit facilities that are available.

- **Lack of funding and red tapes**
  
  Young entrepreneurs cry foul at the many controls put in place to assist their budding businesses with funding. They admit that on the guidelines and in principle, it appears feasible but it is only when they endeavour to start the process that they are met with such challenges, adding that at times they even lack the resources to access the requisite documents. Support on this process is also scarce and thereby prohibiting young entrepreneurs access to the funds which in most cases will be diverted to other government projects or even returned to government coffers.

- **Policy formulation devoid of young people**
  
  Policies that are designed for young people without their involvement have shown gaps and weaknesses when it comes to implementation and thereby warranting such policies obsolete.

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5 According to insights from footnote 2.
These interventions constitute a way to mitigate the unfortunate effects of COVID-19 and beyond. Stimulating economies through targeted policies and measures such as the unemployment benefits and tax relief for low economies and SMEs that are specifically owned by young people. There is also need for a major culture and mindset amongst African economies and this will largely involve improved engagement of young people in all decision-making levels.

Transformation of SMEs is crucially important as Africa has proven through her abundant natural resources and informal labour force that SMEs are at the crux of Africa’s development and as such need to be strengthened and promoted. Investment in the youth is key as they are proving in all ways that they are the solutions to the technologically infused woes that currently persist.

**Recommendations to support young people and harness the demographic dividend**

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**Lack of investor education**

Although investors are keen and pro investing in Africa, countries do not do well in terms of profiling their respective countries and investors end up flocking to countries whose marketing campaigns are aggressive and this at the detriment of many potential companies.
References:


