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# Can a systems approach create more and better jobs for Africa's youth?



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## Understanding how a market systems approach can improve employment prospects for young people

One in six people across the world today are young adults (aged 15 - 24). In Africa, the fastest-growing continent, they are one in five of the population creating a 'youth bulge' that is simultaneously an opportunity and a challenge.

More working-age people in the population could boost productivity for African economies, but only if labour markets can accommodate the growing numbers. The bulge is putting intense pressure on training and employment systems that are often already struggling to keep up.

Sustainable and transformative approaches are needed to allow young African women and men to have access to decent and dignified employment opportunities. One approach, used by numerous donors across different economic sectors in international development to create impact at scale, is Market Systems Development (MSD).

The [ILO Lab](#) and the [Mastercard Foundation](#) recently joined forces to explore how the MSD approach can address the challenge of decent work for Africa's youth. [Getting Africa's youth working](#) is a synthesis of our key findings. Together, we sought to:

- understand the different pathways and experiences of MSD programmes in labour markets to address youth employment

- › draw lessons from these programmes on successful delivery, with a focus on what is specific for youth
- › more broadly, ask how useful the MSD approach is for addressing the challenge of youth employment in sub-Saharan Africa

Six key lessons emerged from our research relating to the design and implementation of youth-oriented programmes in Sub-Saharan Africa.

## Programme design:

### **1. Rethink sector selection**

Youth-specific barriers to entry into the labour force may vary across economic sectors. Therefore, sectors that present good opportunities for youth may differ from those chosen for other market systems programmes. Programmes taking the risk of working in experimental markets with a potentially limited evidence base (e.g. ICT, solid waste management, childcare services), and adapting selection criteria to focus specifically on opportunities for youth, have led to a win-win impact on youth employment and sector development.

### **2. Consider an urban setting for faster scale and innovation**

Urban and rural areas present different opportunities and challenges for youth. Urban projects may have more complex market dynamics but have a higher impact payoff. Whilst urban programmes may scale relatively faster, programmes focused in rural areas emphasise the inclusivity aspect of youth, and especially young women, in sub-Saharan Africa.

## Implementation:

### **3. Account for youth aspirations**

Plans should be constantly iterated throughout the lifecycle of a programme as youth perceptions and labour market dynamics become better understood over time. These perspectives must be balanced against contextual realities to enhance the effective and sustainable integration of youth into the labour market.

### **4. Recognise youth incentives and opportunity cost**

The incentives and opportunity cost of youth may differ from non-youth - often linked to their valuation of time. A recurring example of this from programmes was payment incentives for youth who had strong preferences for short-term cash returns. Factoring such incentives into interventions appears to increase the likelihood of these interventions being successfully sustained over time.

### **5. Understand the perceived risk profile of youth within the sector(s) chosen**

This can help improve the **business model** proposed to partners, encouraging them

to engage more youth. In some cases, such as in agricultural sectors, youth can be seen as higher risk (or less experienced) while in others they may be relatively more attractive for employers - such as service sectors like ICT, business process outsourcing and [tourism](#).

## **6. Work through partners and channels with youth outreach**

Local partners can make or break an intervention. It is important to facilitate interventions by leveraging those - like youth associations - who have good youth outreach and can influence strong peer-to-peer networks among youth to help sustain and scale-up labour market interventions.

Having drawn out lessons from these MSD programmes, what can be said more broadly about the effectiveness of the approach to the challenge of youth and labour markets in sub-Saharan Africa?

On a positive note, we heard of instances where programme interventions had been successfully adopted and replicated by the market, helping create more and better jobs for young Africans through the MSD approach.

Despite this, however, it seems that MSD's promise of sustainability and scale has yet to be realised in the sub-Saharan African context.

We identified a number of possible reasons for this, including:

- **Thin evidence base.** There are few well-established market systems programmes in Africa focusing explicitly on youth in labour markets. The programmes that did exist were fairly young, with only one having completed at least three years of implementation.
- **Trade-off between poverty alleviation and structural transformation.** The focus of donors and programmes in sub-Saharan Africa remains largely on immediate poverty alleviation and creating jobs for today, rather than longer-term structural transformation and moving youth to the growth industries of tomorrow.

The challenge of decent work for Africa's youth is one of huge scale and complexity; there are no silver bullets. The lessons from our research reinforce that taking a systemic approach to youth labour markets is challenging and iterative, but by applying the lessons learned we could significantly contribute to improving the working lives of future young Africans.

Both the ILO and Mastercard Foundation are committed to this goal and will continue to explore how using a systemic approach can lead to large-scale, sustainable positive change to the working lives of young Africans.

- Read the full research brief: [Getting Africa's youth working](#)

