

AFRICA'S DEVELOPMENT DYNAMICS 2024 SKILLS, JOBS AND PRODUCTIVITY

18 September 2024
Casa África, Las Palmas de Gran Canarias

Federico Bonaglia
Deputy Director
OECD Development Centre



A collaborative & inclusive approach to policy-making: Africa's Development Dynamics report

African Union

AUDA-NEPAD
AFRICAN UNION DEVELOPMENT AGENCY

THE AFRICAN CAPACITY BUILDING FOUNDATION | **FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE**

African academics

UNIVERSITE D'ABOMEY-CALAVI

UNIVERSITY OF JOHANNESBURG

Birkbeck UNIVERSITY OF LONDON

UNIVERSITE DE YAOUNDE II

ENCGT
ENCCT TANGER

AFRICA'S DEVELOPMENT DYNAMICS
TITRE DE LA PUBLICATION

2024

OECD dev
DEVELOPMENT CENTRE

OECD expertise

CFE | **EDU**
SKC | **GOV**
DAF | **SGE**
DCD | **STI**
ELS | **TAD**

Federal Ministry for Economic Cooperation and Development

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Ministero degli Affari Esteri

CAMÕES INSTITUTO DA COOPERAÇÃO E DA LINGUA PORTUGAL
MINISTÉRIO DOS NEGÓCIOS ESTRANGEIROS

SAHEL AND WEST AFRICA Club Secretariat



The AfDD2024 is part of an **ongoing series on policies for generating sustainable growth in Africa**

2018: Growth, Jobs and Inequality

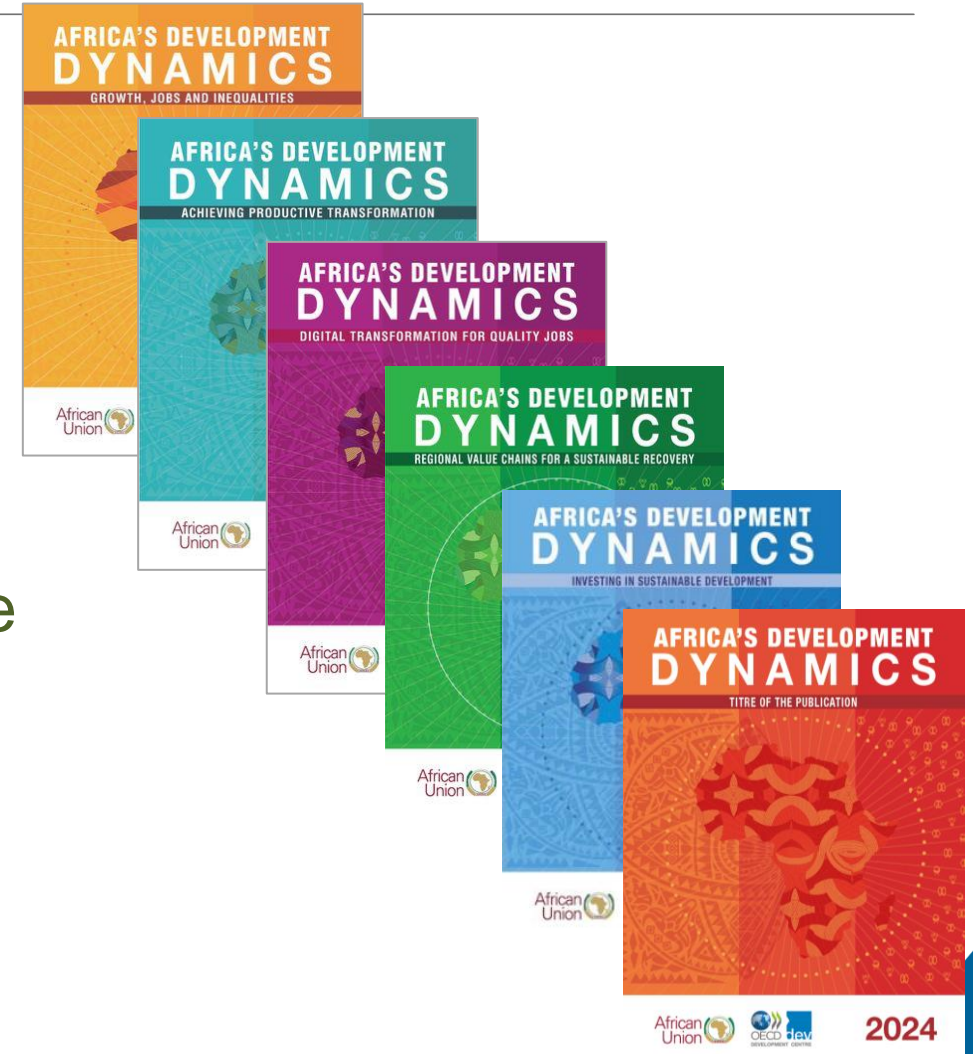
2019: Achieving Productive Transformation

2021: Digital Transformation for Quality Jobs

2022: Regional Value Chains for a Sustainable Recovery

2023: Investing in Sustainable Development

2024: *Skills, Jobs and Productivity*





Key messages of the report

1. Skills development can increase the productivity of Africa's vast talent pool and help address the imperative of economic transformation
2. African nations can devise country-specific strategies to invest in a virtuous cycle of better skills for better jobs
3. Effective skills development policies balance high productivity, employment potential and inclusiveness



Some key data on Africa in the world

- Africa's economy (GDP) multiplied by 5.3 times between 1990-2020 (2.91tn today; ESP 1.65tn)
- Per-capita GDP multiplied by 2.2 times (from 723\$ to 1600\$; ESP 34050\$).
- Population doubled to 1,12bn (and will double again by 2050). Africa's will account for 85% of the world increase in working age (15-64) population.
- The % of poor people in the African population declined (from 54% to 35%) but the absolute number of poor people increased (from 278m to 397m)
- In 2020 40.5m African live outside their country of birth ("migrants"), 30% more than in 2010. Of which, 20.8 m live within Africa, 19.7m live outside Africa (11m in Europe). 72% of high-skilled migrants live in high-income countries.



Some key data on Africa in the world

- 2020-40: number of youth with secondary or tertiary education: Africa from 103m to 240m; OECD countries: from 171m to 170m.
- Primary education completion rate from 55% to 75% in 20 years, but quality not keeping up (LAYS: 5.1 in Africa vs 7.8 in LAC)
- 1 in 4 youth are NEETs
- 82% of African workers are in the informal economy, i.e. vulnerable, low-paid, low-quality jobs



SKILLS DEVELOPMENT IS
INCREASING THE PRODUCTIVITY OF
AFRICA'S VAST TALENT POOL

-

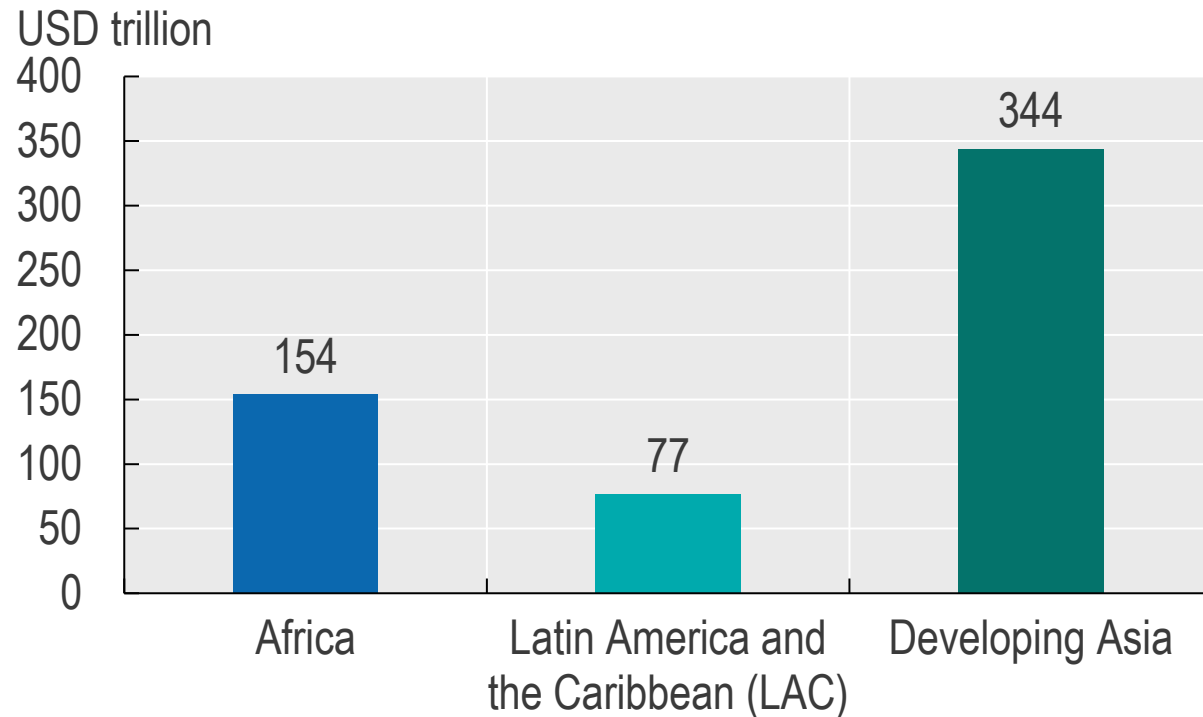
POTENTIAL BOOST TO THE
CONTINENT'S GDP BY
USD 154 TRILLION



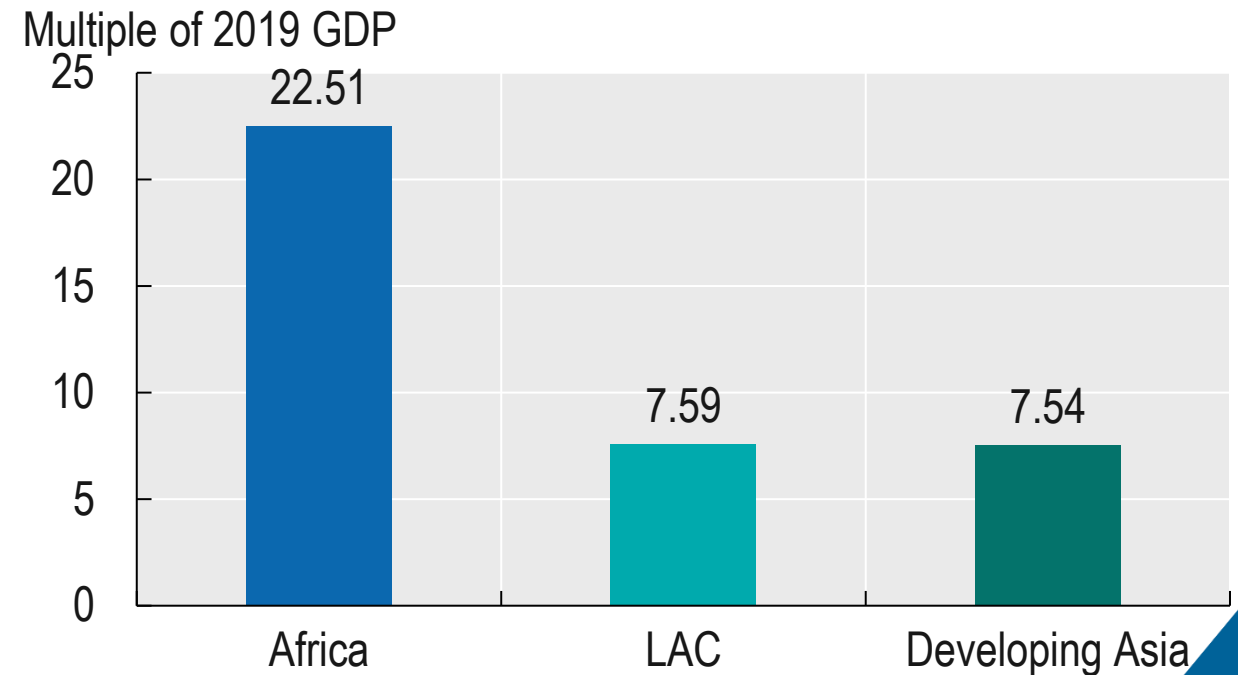
Achieving **universal basic skills** brings **more benefits to Africa** than other world regions

- **Returns to education:** Each additional year of education could **increase African learners' earnings between 8% and 11%**.
- Providing at least basic skills to all children could raise Africa's GDP by **USD 154 trillion**, **multiplying Africa's 2019 GDP by 22.5**

A. In trillion US dollars



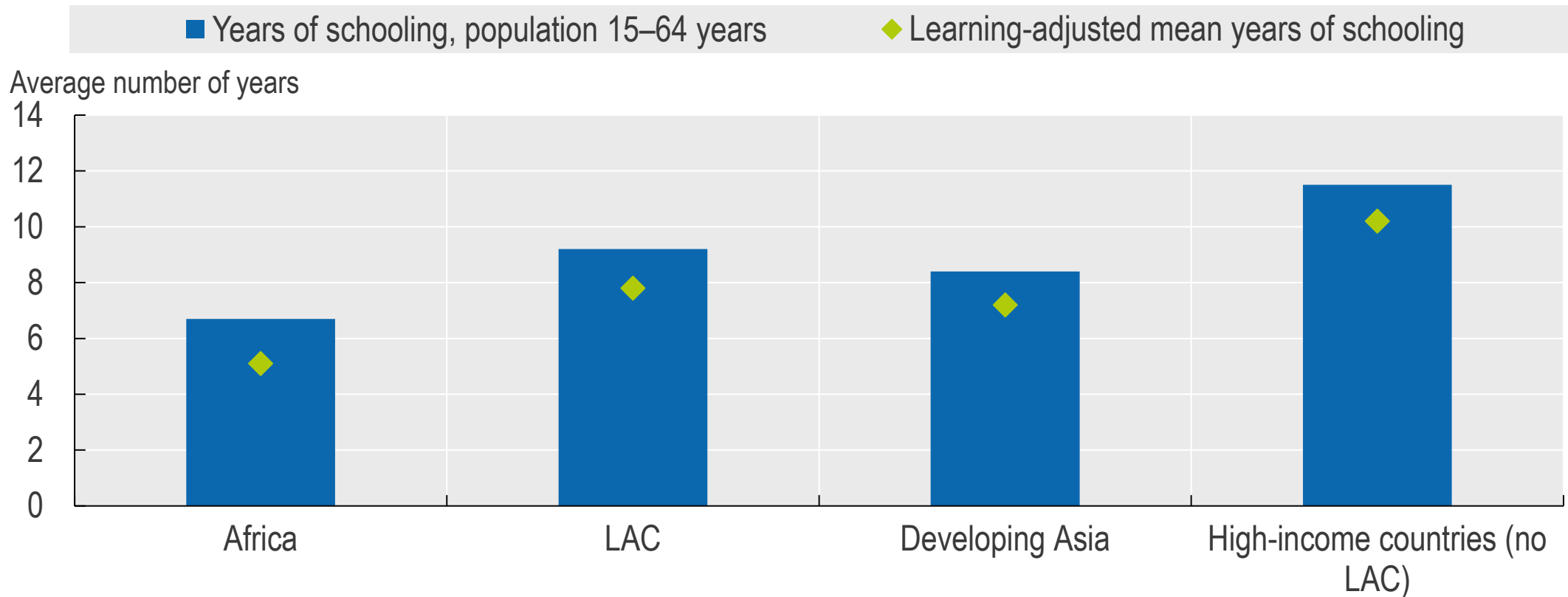
B. Multiple of 2019 GDP





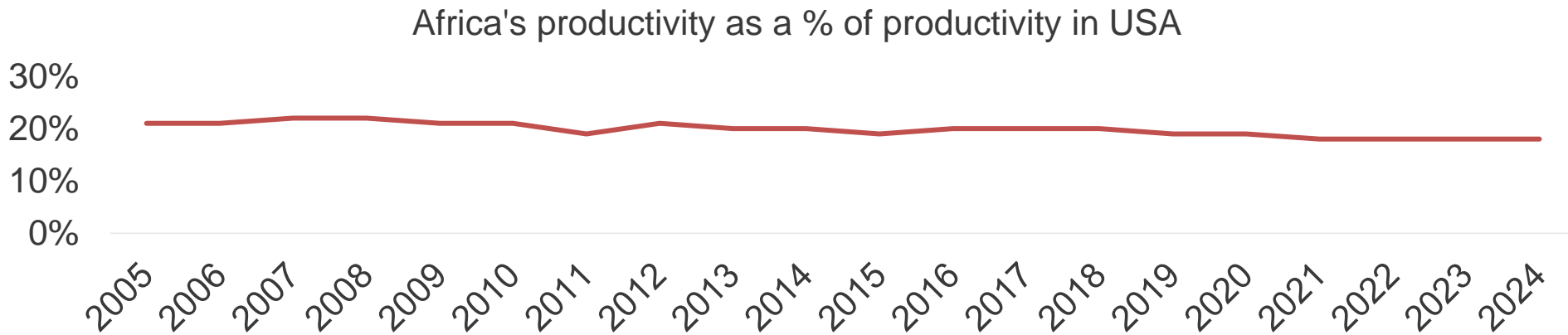
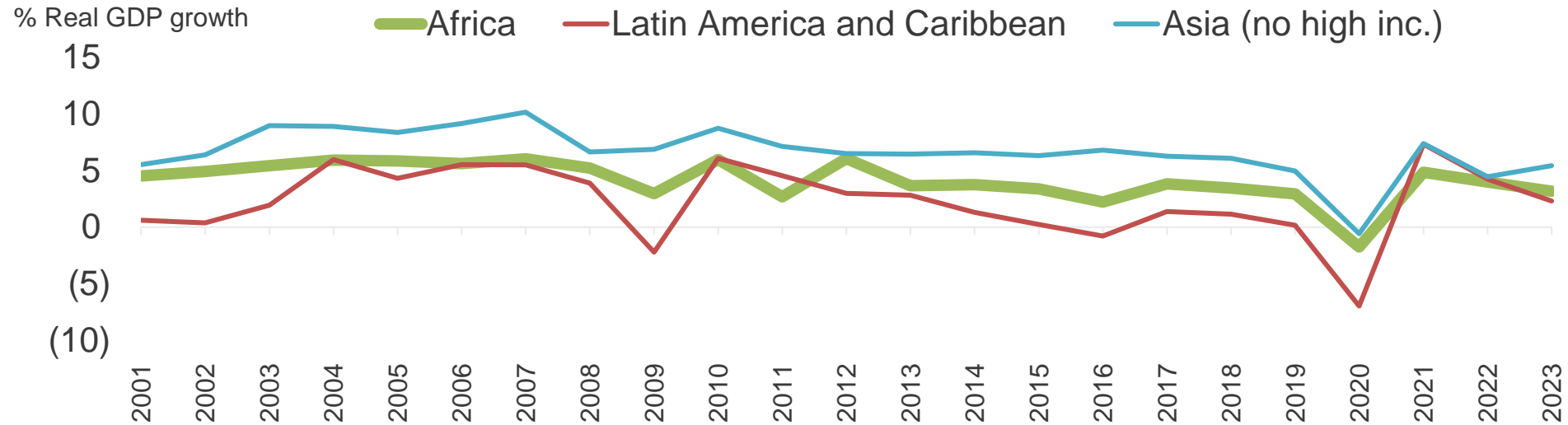
Education quality remains unequal despite higher educational attainments

The average number of years of schooling increased from 4.6 years in 2000 to 6.7 years in 2020, yet it falls back to 5.1 years when accounting for actual learning outcomes





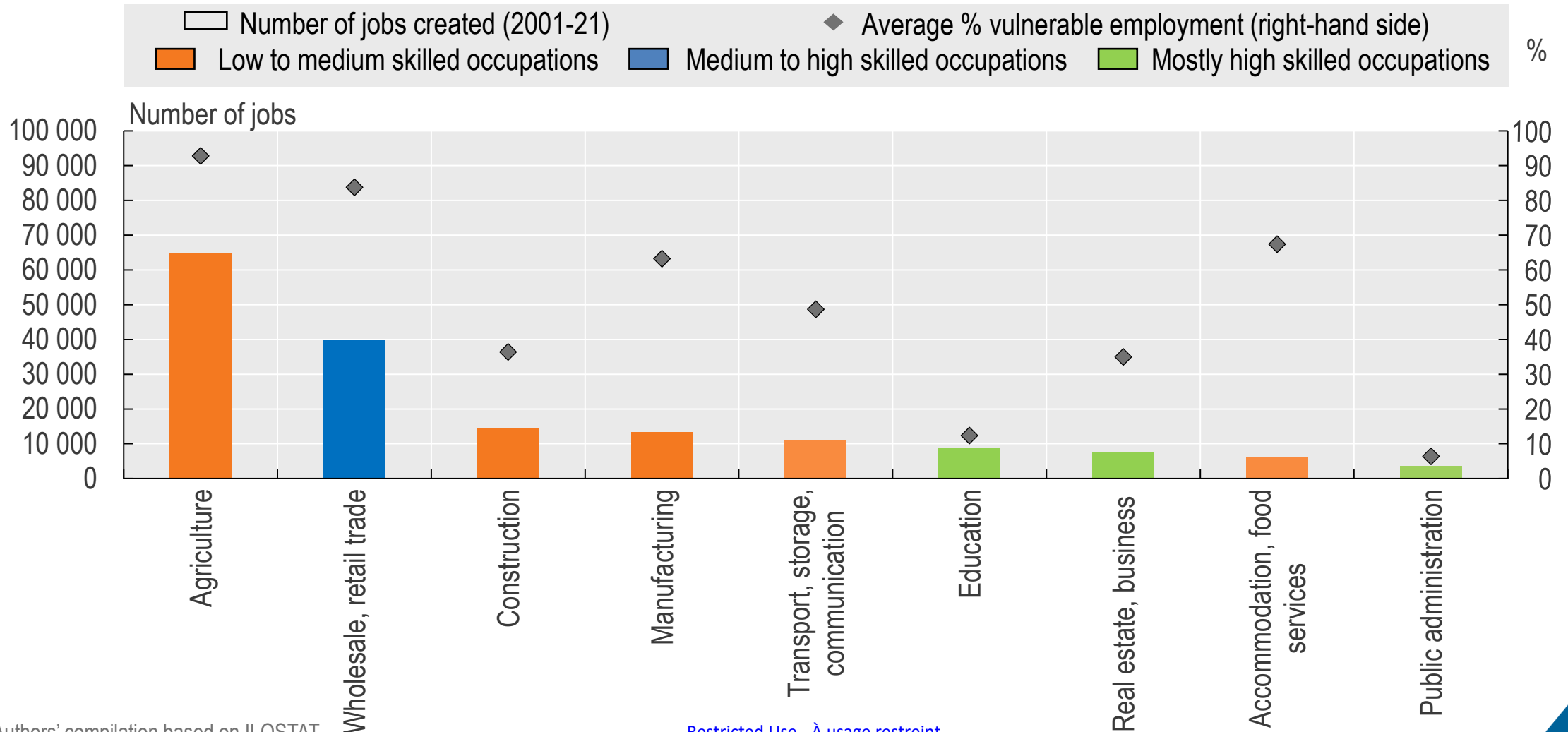
High GDP growth has not enabled Africa to catch up with the global productivity frontier





Job creation has happened in sectors with low productivity, high vulnerability and low skills

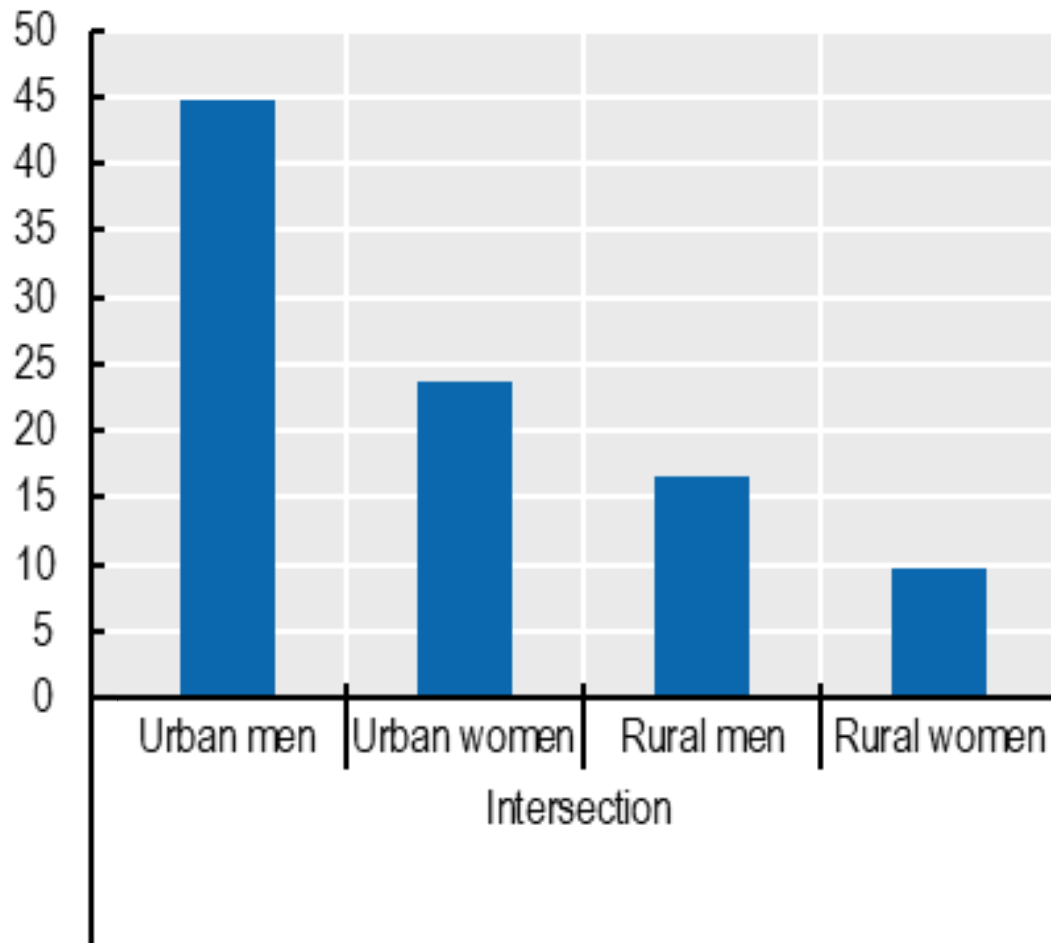
Over **80%** of African youth in school **aspire to work in high-skilled occupations**, but **only 8%** find such jobs.





Informal/formal, gender and rural-urban labour market divides compound skill gaps, contributing to inequalities

% of workers in skilled occupations



- **Informal employment:**
 - **92% in rural areas**
 - **72% in urban areas.**
- **Agriculture and services dominated by informality:**
 - **57% of rural workers** are in **informal agriculture**
 - **46% of urban workers** are in **informal services**
- **Share of group in skilled occupations:**
 - **<10% of rural women**
 - **45% of urban men**
- **Gender gaps in education completion rates increase with education levels: the number of countries achieving gender parity is**
 - **8 at primary level**
 - **5 at lower secondary level**
 - **0 at upper secondary level**







Policies must tackle **new trends**, like growing demand for digital skills, green and sector-specific skills

Skill gaps are widest for **intermediate digital skills**

	Basic digital skills	Intermediate digital skills	Advanced digital skills
Demand	<i>Very large</i> 70% of jobs requiring digital skills	<i>Large</i> 23% of jobs requiring digital skills	<i>Emerging</i> Some countries emerging as regional leaders
Supply	<i>Growing</i> 9% of the youth population	<i>Limited</i> 5% of the youth population	<i>Scarce</i> 1.3% of global GitHub users

Green skills will help achieve energy security

Sectors	Importance of green skills
 Agriculture	Adoption of climate-smart agricultural practices in East and Southern Africa could increase agricultural productivity 3-fold
 Renewable Energy	Moving towards renewable energy and sustainable infrastructure could generate +9 million job opportunities 2019 - 2030 and a further 3 million jobs by 2050.
 Critical minerals	Central Africa accounts for 70% of the world's cobalt production, 30% of tantalum and 20% of manganese.
 Waste management	Africa's waste management sector is projected to grow at 8.5% annually.



EFFECTIVE SKILLS DEVELOPMENT
POLICIES BALANCE
HIGH PRODUCTIVITY,
EMPLOYMENT POTENTIAL,
AND INCLUSIVENESS



Demand orientation, data and scalable formats are key for effective skills development policies

1. National strategies

- **Data** on skill mismatches
- **Priority sectors** with comparative advantages
- Emphasis on **digital and green skills**

Kenya's National Skills Development Plan

Sector Skills Councils



2. Expand quality education

- Most **cost-effective measures**
- **Progress** towards international benchmarks

Morocco's education reform roadmap



3. Training and skill recognition

- **Entrepreneurial and soft skills training**
- **Certified apprenticeships** with private sector
- **Recognition of prior learning; certificates**

Informal enterprises in Togo

Entrepreneurial training

\$ Profit +30%

4. Innovative TVET

- Involve **private sector** in programme delivery
- **Upgrade curricula**, governance and reputation
- Increase **female and rural participation**
- **TVET levies; coordinate partner finance**

South Africa's TVET curriculum reform



5. Regional integration

- Skill shortages and gaps in **regional value chains**
- **Cross-border skill recognition and portability**
- **Reduce talent outflow; circulation of skills**

Centre of Excellence for Advanced Battery Research DR Congo & Zambia





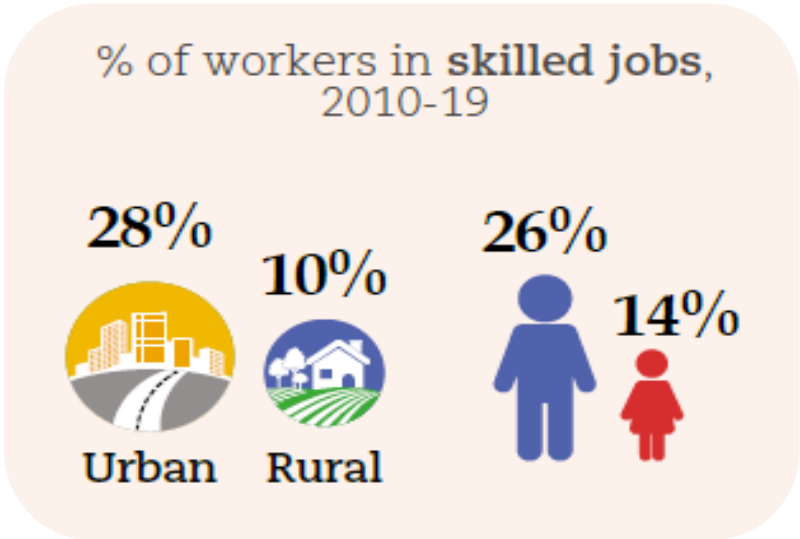
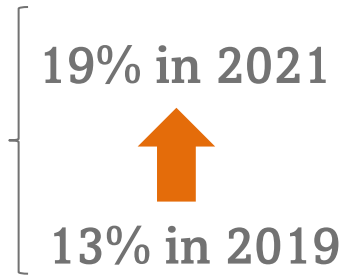
REGIONAL CHAPTERS



West Africa expands skill acquisition in agri-food through training and recognition of prior learning (RPL)

Despite **advances in STEM education**, skilled employment is divided across **rural-urban** areas and **gender**

The percentage of **STEM teachers** in West Africa is approaching the **30% target** set by **Agenda 2063**



Training is a crucial tool in skill acquisition. While **RPL that validates non-formal, informal and formal learning** covers key sectors, it is yet to extend to the agriculture sector



Benin is expected to multiply by 3 the number of technical agricultural colleges, by 2025

In Nigeria 37 technical colleges offer courses in agriculture and related disciplines (22% of total)

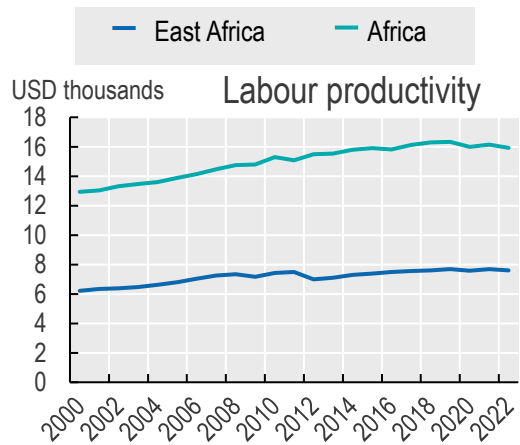
RPL status In West Africa

- Operational in Cabo Verde**
- Early thinking /consultation (10 countries)**
- Not started (4 countries)**



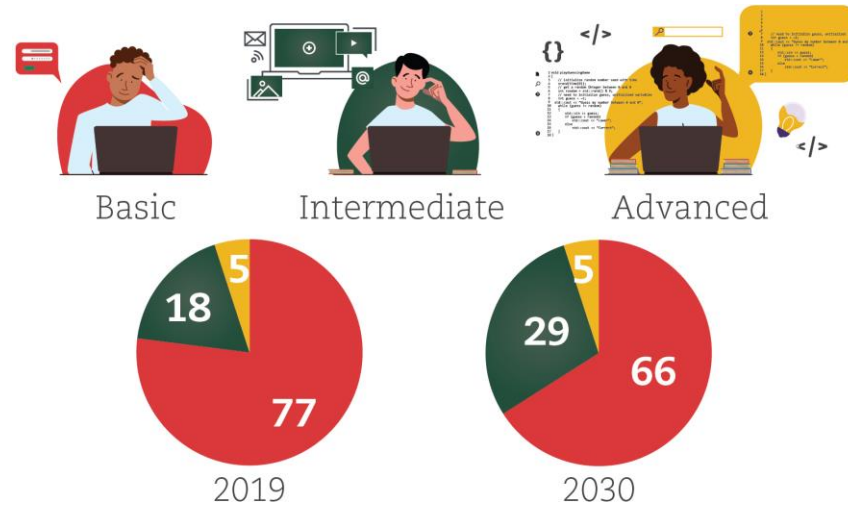
Consultations can inform national strategies of digital skills requirements in East Africa

Quality jobs are scarce in most East African countries

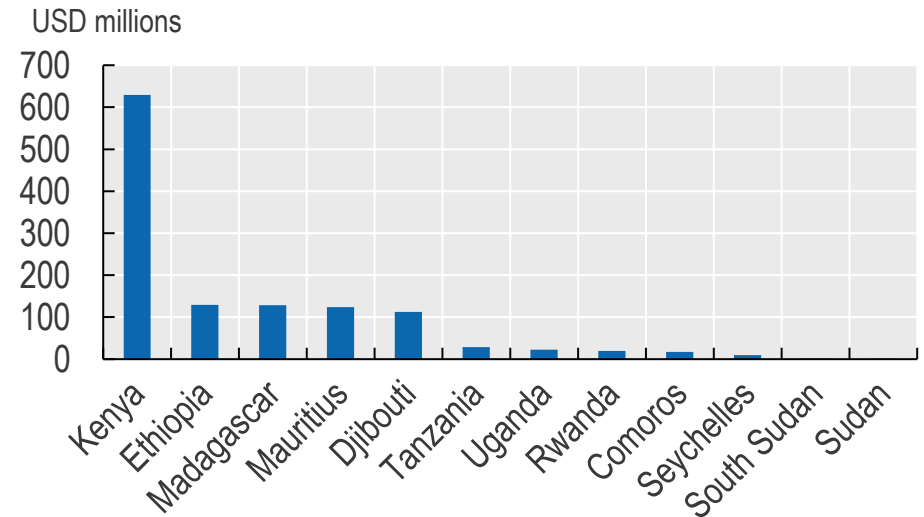


Supply and demand of digital skills is growing unevenly across countries

% of jobs with different digital skills needed in Kenya and Rwanda



Export of ICT services



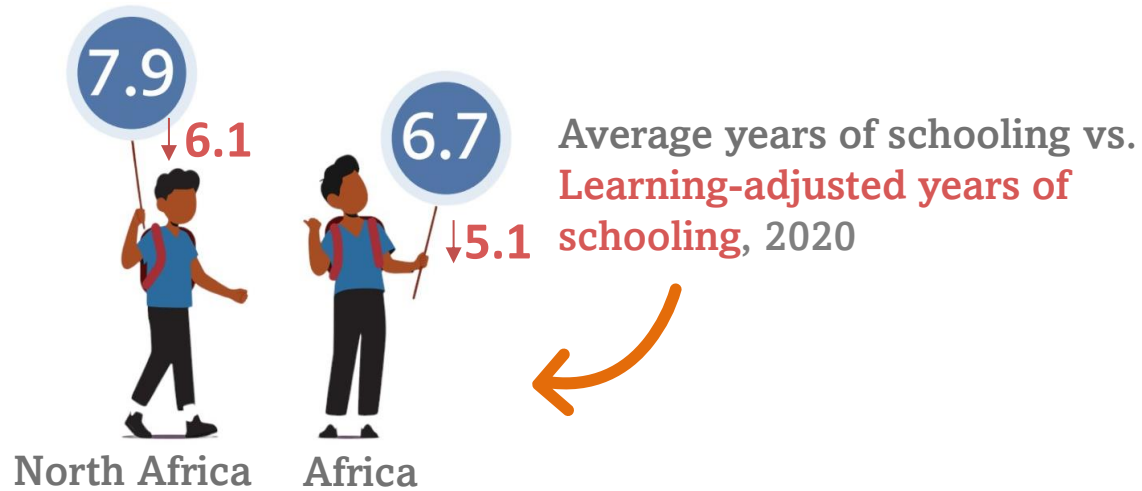
Renewable energies are creating new skill demands in African countries, increasing quality job opportunities

→ Adoption of climate-smart agricultural practices in East Africa could increase agricultural productivity 3-fold



Comparable learning assessments can help monitor education quality to develop renewable energy in North Africa

Education quality in North Africa is above the African average, but inequalities persist



Renewable energies are creating new skill demands in African countries, increasing quality job opportunities

+2.7 million in North Africa, comparing the 1.5°C global temperature increase scenario with the business-as-usual scenario

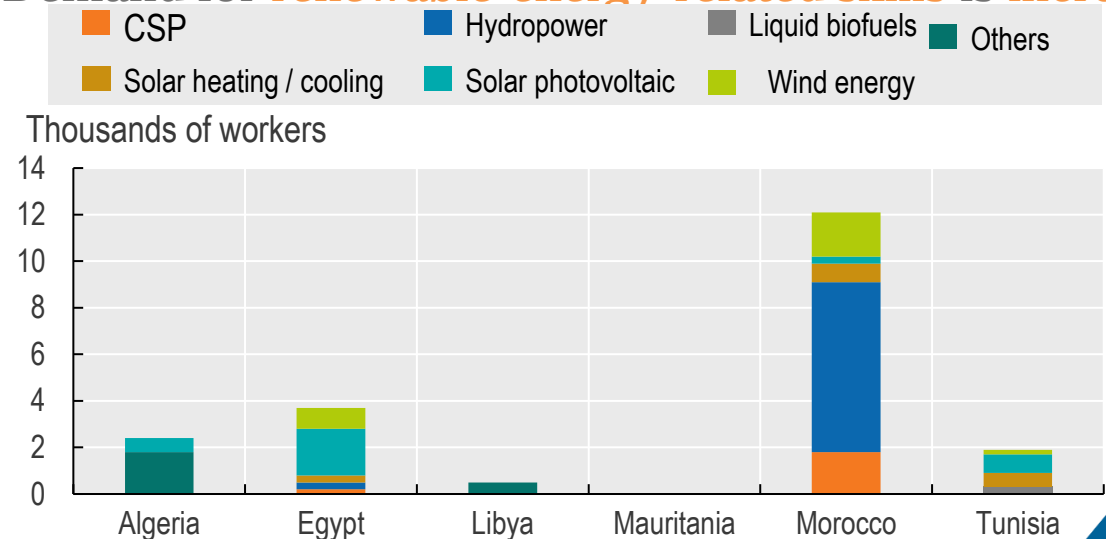
&

+12 million in Africa by 2050, since 2019

Strengthening skills can support increasing renewable power generation



Demand for renewable-energy-related skills is increasing

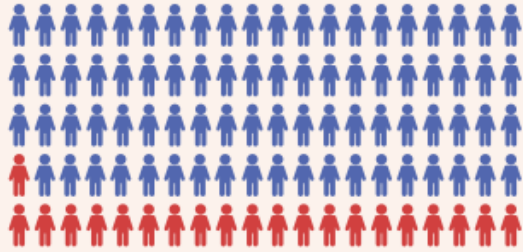




Central Africa can strengthen skills in the mining sector through public-private partnerships and TVET

Access to education and skilled jobs is still limited

21% complete secondary education



2020

% of workers in skilled jobs, 2010-2019

25%



Urban

9%



Rural

26%

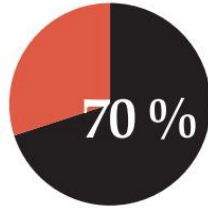


10%



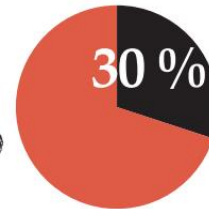
Regional production of critical minerals offers opportunities

Co
Cobalt



Global demand
x3 by 2040

Ta
Tantale



Global demand
x7 by 2040

Mn
Manganèse



Global demand
x8 by 2040



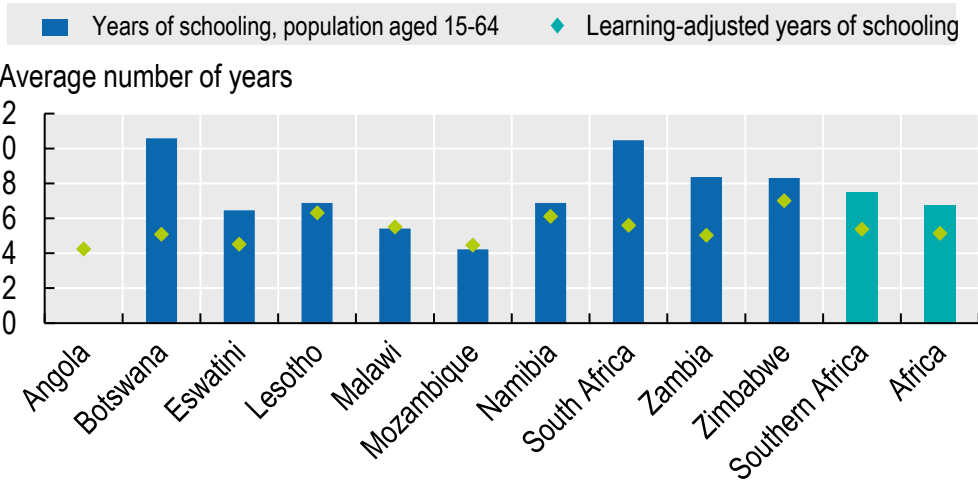
The Moanda Metallurgical Complex

In Gabon, the Moanda School of Mining and Metallurgy, a public-private partnership, provides training to boost local Manganese processing.



Southern Africa can develop skills in mining value chains through regional cooperation

Skill levels in Southern Africa are on par with the rest of Africa but **vary greatly** within the region



Skills development for **cobalt refining and minerals for renewable energy** could strengthen **mining value chains**

Cobalt refining in Zambia

Growing demand for electric vehicles will **double** the need for cobalt by 2030

Co Cobalt

Renewable energy in South Africa

Direct employment in renewable energy **surged** by 10% between 2022 and 2023

Southern African countries seek to align the sector's policies through the **SADC Protocol on Mining and the Framework for the Harmonization of Mining Policies, Standards and Regulatory Regimes**. They are pivotal to skill formation and skill transfer.



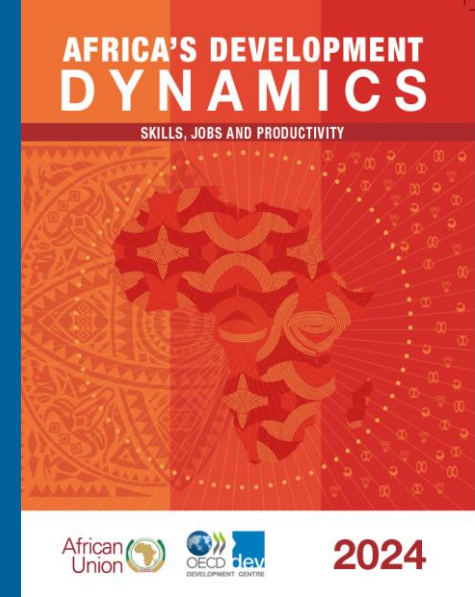
THANK YOU!
MERCI!
¡GRACIAS!



ENGLISH



FRANÇAIS





BACKUP SLIDES



Job board data have the potential to inform granular skill gap assessments

- **Sampling online job vacancies:** gathering data samples from online job postings from African job boards
- **Analysing skill demand:** conducting a dynamic analysis to assess skills sought by employers

Data source	Details	Analysis
<ul style="list-style-type: none">• Lightcast	<ul style="list-style-type: none">• Data extracted from job ads (LinkedIn, indeed, etc.)• Skills/levels of education required, salaries offered	<ul style="list-style-type: none">• Identify skill requirements in demand in the African market• Salary information allows to construct demand data

Regional Data source	Details	Analysis
<ul style="list-style-type: none">• Jobberman (Nigeria, Ghana)• Brightermonday (Kenya, Uganda)• Careerjunction (South Africa)• Wuzzuf (Egypt)• Emploi.ma (Morocco)• Emploi.cm, Emploi.dc (Cameroon, DR Congo)	<ul style="list-style-type: none">• Skills, salaries and levels of education for a given job• Include all industries (IT, energy, healthcare, construction, automotive...)	<ul style="list-style-type: none">• Identify trends in labour markets (e.g. emerging occupations)