Follow-Up Paper for The Africa Roundtable

The Path to Success: Education, Skills, and Leadership

December 2023

Global Perspectives Initiative in cooperation with the Federal Ministry for Economic Cooperation and Development, the Mo Ibrahim Foundation, the Bill & Melinda Gates Foundation, the Federation of German Industries (BDI), and the African Center for Economic Transformation (ACET)
**THE AFRICA ROUNDTABLE TAKE AWAYS & RECOMMENDATIONS FOR ACTION**

1. **Increase market-aligned education and training programs** through cross-sector partnerships between government, private companies, TVET providers, universities, foundations, and employment accelerators. Adapt curricula based on private sector input to equip youth with technical and soft skills needed for current and emerging jobs. Substantially increase investments in the educational and skill building sectors.

2. **Expand and enhance TVET systems** across Africa as an attractive entry point to industrial employment and entrepreneurship. Make TVET more responsive to labor market needs through industry collaborations. Improve teaching methods, infrastructure access, and technology integration. Boost TVET enrollment and completion, especially among women and disadvantaged groups, through incentives and awareness campaigns.

3. **Formalize informal skills** to ensure their recognition while elevating work quality and productivity. Recognize existing skills while improving them through training and practice. Leverage opportunities for government, private sector, and youth to collaborate on skills development given high informal economy rates.

4. **Focus on the digital transition** as the transformative factor in education and for future jobs. Mainstream digital skills and thinking across all education levels as a necessity for employability. Provide reliable, affordable access to digital infrastructure and technology.

5. **Equip African youth with green economy skills** and opportunities needed for the sustainability transition. Develop growth strategies for renewables, clean energy, climate-smart agriculture, biodiversity protection, and climate-resilient infrastructure.
6. **Leverage Africa’s youth capacity for innovation.** Support young entrepreneurs and link startup ecosystems with skills initiatives. Provide training, mentoring, and capital access to translate promising ventures into scalable, high-growth companies. Encourage large employers to incubate ventures and outsource work to drive innovation and economic opportunities.

**SETTING THE SCENE**

The fifth edition of *The Africa Roundtable* was held in Berlin on 21 November 2023. Co-hosted by H.E. Minister Svenja Schulze from the Federal Ministry von Economic Cooperation and Development and with H.E. Cabinet Secretary Eluid O. Owalo from the Ministry of Information, Communication, and the Digital Economy in Kenya in attendance, *The Africa Roundtable* brought together representatives from multilateral institutions (World Bank, the EU Commission, African Development Bank), the private sector (The Federation of German Industries, Bayer AG), Civil Society (Mo Ibrahim Foundation, The Bill & Melinda Gates Foundation), Think Tanks (The African Center of Economic Transformation) and Entrepreneurs and Investors (Sand Technology, Goodwall, Venture Platform) to discuss the "The Path to Success: “Education, Skills, and Leadership”.

Economic growth is essential for the well-being of millions across the African continent and significant for political stability and economic development worldwide. **For economic growth, a skilled workforce is indispensable.** Whilst Africa’s population is projected to nearly double over the next quarter-century, the continent faces an **alarming unemployment crisis, especially among its rapidly growing youth.** One fifth of the global population under the age of 25 lives in Sub Saharan Africa – Africa is home to the world’s youngest population. Yet, the unemployment rate across the continent’s youth is alarming at 11.9%, while many more have informal jobs or do not have the skills to thrive in the 21st century economy. This gulf between the surge in Africa’s youth population and lack of decent work opportunities stems largely from a **skills gap** which undermines employability, productivity, entrepreneurship, and inclusive growth.

Recent analyses highlight the profundity of this mismatch between skills and economic demand. For example, a 2022 study by ACET, The African Center of Economic Transformation, showed that only 11% of secondary school graduates possessed adequate training
in skills like analytical thinking and problem solving, while just 23% were proficient in key Information and Communications Technologies (ICT) tools. The story remains similar across critical 21st century skills desired by employers. Coupled with the rapid pace of economic change and digitization, these deficits leave African youths struggling to qualify for and perform in both current and future jobs. At the same time, there is a shortage of the technical capabilities that new sectors like manufacturing, agro-processing, and renewable energy urgently require to catalyze industrialization.

There are various reasons for the skills mismatch on the continent:

- **The educational curriculum on the continent is lacking and does not reflect 21st century needs** (only two African countries stand above global average, Mauritius, and Seychelles). This skill gap makes it hard for employers to find suitable job applicants.

- **Low investments in education also limit the opportunities**: Many African countries are investing less than 2% of their GDP in education, which is insufficient to ensure good outcomes.

- **Gender-norms still limit educational opportunities.** Almost half of the girls in Sub-Saharan Africa have no access to upper secondary education and when it comes to vocational education and tertiary education women don’t have the same access as men.

- **Sub-Saharan Africa has the world’s lowest secondary technical and vocational enrollment rates**, hovering around 5%, making the region unprepared to participate in emerging opportunities.

The present skills crisis wastes individual potential and jeopardizes Africa’s prospects for sustainable development. Africa’s working-age population is estimated to reach 600 million by 2030, with a **youth share of 37%** - larger than that of China. The demand for productive employment for Africa’s youth and a more skilled workforce will therefore only intensify in the future.
The Africa Roundtable convened with the aim to discuss and find solutions and actionable recommendations to tackle the impending youth unemployment crisis on the continent. The discussion focused on the importance of Building Bridges and fostering collaboration between Europe, Africa and the world in creating solutions, Empowering the continents’ Youth to take a leadership role in these efforts, efficient and successful ways of Closing the Skills Gap, and ways of Moving towards Action.

BUILDING BRIDGES
In her opening statement, German Development Minister Svenja Schulze emphasized the importance of discussing solutions and perspectives for empowering Africa’s young workforce. She highlighted that with 25 million youth entering the African job market each year, the continent is undergoing an unprecedented demographic transformation, which European countries often overlook or fail to fully appreciate. In recognizing the monumental employment challenges that African nations are facing, Germany is fostering collaboration with African partners to promote decent work prospects for youth. Key priorities are generating more quality jobs, ensuring fair wages and workplace protections, and boosting skills training programs to prepare African youth for employment opportunities matching the needs of local economies. Schulze highlighted Germany’s initiatives promoting vocational education partnerships in Africa and supporting entrepreneurship to equip youth with in-demand skills, and the importance of building skills for a green transition. She also highlighted on the importance of empowering women and girls through equal access to education and jobs to tap their potential for addressing society’s challenges: “We can simply not afford to allow the potential and ideas of half of the global population to go unused.”

Kenyan ICT Minister Eluid Owalo focused his remarks on the urgent need for job creation given Africa’s expanding youth population, stating that for a stable society and long-term development, it is necessary that the continent creates 30 million new jobs and training opportunities annually. Owalo emphasized that in his opinion “the only avenue we have for purposes of addressing the unemployment situation in our country, or Africa, is the digital space. [...] Together we can turn Africa into one major global digital economy. And maybe have a 24/7 economy in Africa.” Owalo concluded that fully embracing the digital revolution represents Africa’s surest path to economic success and global competitiveness.
EMPOWERING YOUTH

Gerald Chirinda of the Future Africa Group emphasized the importance of understanding the aspirations of Africa’s dynamic youth population. He cited recent Pasqa research across seven African countries revealing the top aspirations of youth; the most common being the wish for economic stability, followed by a good education, allowing them to build professional skills, and thirdly, the wish to build and be able to support a family.

African youth have high economic ambitions, with many seeking well-paying and purposeful work, as well as the ability to positively impact their communities. In Chirinda’s words: “Youth want lucrative, meaningful, and impactful work. They cope through multiplicity and blending, AKA hustling. But hustling can be more means to an end than preference.” He emphasized that youth expectations on the continent are varied and call for adaptive solutions, stating: “It is important to meet young people where they are, youth are not homogenous they have different profiles and different needs.” Successfully empowering Africa’s youth will require understanding these multifaceted aspirations.

CLOSING THE SKILLS GAP

Participants agreed that, if properly harnessed, Africa’s youthful population can drive the continent’s economic transformation. Closing the skills gap that currently exists in the African employment space is the fundamental prerequisite. There was strong consensus among the EU and African leaders on the urgency of confronting Africa’s skills crisis. Speakers concurred that skills shortages and mismatches are not only fueling high unemployment but also frustration amongst young people and represent a pressing threat to Africa’s development ambitions.

European Commission Director Koen Doens highlighted the need for parallel investments in both human capital and economic activity to maximize Africa’s demographic dividend. As Doens stated: “There is no point in training people if there are no jobs to actually capture them, likewise you cannot invest in businesses if there is no labor force.” He outlined EU efforts to support young entrepreneurs and technical vocational education tailored to market needs. Doens advocated for a granular, public-private approach, asserting: “We need to talk to those who will be on the demand side. What do you expect your needs to be next year, in 5- and 10-years’ time?”
Amadou Hott of the African Development Bank highlighted the opportunities of Green Sector jobs. In his words: “We have all it takes to be a leader in green industrial revolution, but you need the policy, the vision set and the planning, the investments in green infrastructure.” Hott also spoke of the need for broader economic reforms to spur job-creating investment and trade.

Natalie Delalpalme of the Mo Ibrahim Foundation advocated for a change in narrative, stating that the conversation needed to shift from how the world can help Africa, to how Africa can help the world to address our shared global challenges. She also underscored the crucial role of the private sector: “The need to work with the private sector is key, what are the key skills that the job market will look for in the coming years and that cannot be defined by governments only. You need to have these interactive conversations.”

The World Bank’s Managing Director for Operations Anna Bjerde called attention to the strong returns of education and training. She stated: “Every additional year of schooling increases earnings by 10% on average, with larger gains for women. Good schooling provides access to jobs and increases opportunities for entrepreneurship.” Bjerde noted that Africa still underinvests in vital skills, calling for multi-stakeholder collaboration to realize the promise of its youth population.

OECD Development Centre Director Ragnheiður Elín Árnadóttir focused her remarks on the importance of skills for leveraging emerging opportunities like the renewable energy sector. As she concluded: “Green industrial revolution brings fabulous things that nobody can foresee and in terms of this for Africa we have calculated that African countries can create about 4 million jobs in the renewable sector by 2030. 80 million by 2050.”

Participants agreed on the value of technical and vocational education as part of the solution stack, outlining its advantages for employability and alignment to industry needs. There was also broad support for modernizing TVET systems through partnerships between governments, private sector, and external partners to inform curriculum, training, and investments. As Koen Doens stated, addressing skill gaps requires "complex systems" thinking.
OPPORTUNITIES AND CHALLENGES OF TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET)

As highlighted throughout dialogue, Technical and Vocational Education and Training (TVET) shows immense promise for equipping youth with employable skills matched to industry needs. Well-designed TVET programs allow graduates to transition seamlessly into jobs in fields from agriculture to renewable technologies. The data underscores this potential; surveys find TVET graduates enjoy higher employment rates compared to peers in many African countries.

African governments increasingly recognize TVET’s value and are allocating more financing – Ghana now spends nearly 25% of its education budget on TVET. Regional bodies too have rallied behind TVET, espousing its necessity for continental integration and trade.

Obstacles persist in upgrading TVET quality and perception across Africa’s 54 countries. Outdated materials, unfavorable teacher-student ratios, and limited integration with emerging fields undermine TVET outcomes. Stigma also lingers among parents preferring white-collar undergraduate university tracks for their children. And costs prohibit enrollment access for lower-income learners.

Sustainability too is frequently uncertain, with TVET relying mainly on development assistance. Strengthening public-private partnerships can help secure funding through a combination of methods such as tuition fees, fees imposed on companies that benefit from TVET graduates, and income-contingent student loan programs, as exemplified by Kenya’s practices. But governments must elevate TVET as a priority in national budgets by allocating above the 5% of education spending common across Africa currently.

To overturn lingering apprehensions towards skills-based tracks, policymakers and education leaders must make concerted efforts to “make TVET attractive again” by illustrating its value for empowering youth careers locally and globally.

Mavis Owusu-Gyamfi of the African Center of Economic Transformation (ACET) presented ACET’s research paper on ‘How Technical and Vocational Education Can Help Close Skill Gaps in Africa’, which was created on occasion of The Africa Roundtable event. She concluded: “We want Africa to re-imagine TVET. Seeing TVET as an
entry point for dealing with that skill mismatch. TVET has the potential to equip young people with the necessary skills for being employed. And it also prepares them to fill specialized skills in the industrialized sector. TVET people were better prepared for real jobs than our university and PHD students.”

To enhance EU-AU partnerships in TVET, key steps should involve shifting financial support towards outcome-based funding for TVET institutions, promoting twinning between EU and TVET countries for teacher training and adaptability to evolving job markets, and providing African TVET students with internships in EU nations, either in-person or remotely. Additionally, gaining insights from countries like Germany with robust policies in industrialization and green industries can bolster institutional support for TVET policy development.

MOVING TOWARDS ACTION

In order to create skills for a sustainable future, Africa has to rely on the potential of the continent’s digital and green transitions. Both offer significant job prospects for its youth. This involves embracing new technologies and building digital skills.

Entrepreneur Fred Swaniker, Founder of the African Leadership Group and Sand Technologies outlined his bold vision for training “5 to 10 million” technology talents and software engineers across Africa over the next decade. By addressing the global shortage of digital skills at scale, Swaniker aims to enable African talent to find remote employment or launch youth-led startups that can spur economic transformation.

Amongst the participants, there was consensus that while such skills programs are crucial, they must be part of more holistic strategies that invest across the entire youth lifecycle and shift capital towards enterprises in labor-intensive industries on the continent itself.

Birgit Pickel of the Federal Ministry for Economic Cooperation and Development (BMZ) summarized that empowering African youth in 21st century economies will hinge on collaborative, multi-dimensional approaches that combine political commitments, private sector leadership, South-South exchanges, and individual initiative. Sustained engagement and investment by all partners involved offer the surest path to securing durable success and are vital to unlock the potential of Africa’s young demographics.
GPI’s Founder Dr. Ingrid Hamm reiterated this approach: “Let’s do it all at the same time, building the skills, trying to convince people to invest, having every kind of mobility, having lots of skilled workers that can work remotely for big companies. There are many ways of bridging the gap. Let’s just do it!

We would like to thank all partners and participants for joining us at the *The Africa Roundtable* and contributing to the dialogue.

**OUTLOOK**

The discussions and ideas generated at *The Africa Roundtable* will not only shape the direction of our future events but will also have a wider impact on our initiatives and formats. The recommendations and take-aways of this edition of *The Africa Roundtable* will be further discussed in bilateral conversations and follow up events.

We will continue the dialogue on the topic of education, skills, and jobs for Africa’s youth in a follow up event in Berlin, with a focus on *Mobility and Migration*, in late January 2024.

We are also delighted to announce that the 6th edition of *The Africa Roundtable* will be held in conjunction with the *Mo Ibrahim Foundation’s Governance Weekend* on 26 April 2024 in Lagos, Nigeria. We look forward to welcoming our guests and participants for another fruitful and productive discussion on this occasion.
Global Perspectives Initiative

In a globalized world, establishing and upholding mutual dialogue is key. Global Perspectives Initiative connects the key figures in business, politics, media, and civil society to shape a sustainable common future. The focus in this context is on the European-African dialogue. Europe needs Africa as a mutually trusted and respected partner — and vice versa. As an independent and politically neutral dialogue platform, we lead the European-African dialogue and strengthen the multilateral cooperation of the future.

The Africa Roundtable

*The Africa Roundtable* is the forum for decision-makers from the political, business, and civil society spheres in Europe-Africa cooperation. It deals with pressing issues and challenges of the neighboring continents and develops partnership-based solutions and models for future cooperation. Twice a year, *The Africa Roundtable* gathers its participants, alternating between the European and the African Continent. Prior publications ensure a fact-based discussion, which is concluded with actionable recommendations. The eponymous podcast and regular text contributions in pre- and post-processing, complete the program and ensure a continuous dialogue.