

ECA Dialogue Series

REDUCING AFRICA'S SKILLS GAP

ECA & Oxford Economics Africa

Monday 6 March, from 10:00 to 11:30 am GMT+1

Presentation note

Context

Africa currently has the highest annual population growth rate (2.5 per cent) in the world. Its overall population is projected to increase to 2.9 billion by 2050, while its working-age population (aged 15-64) is expected to nearly double from 783 million in 2021 to 1.56 billion in 2050 (Haver, 2022). Africa is thus being faced with an opportunity, as the proportion of its working-age population to its total population will increase from 56.2% in 2021 to 62.6% by 2050, creating a potential for demographic dividend. However, to seize this opportunity would require population that is better educated, healthier and ready for the future world of work. According to the World Economic Forum, high-skilled employment accounts, on average, for only 6% of the total employment in Africa (excluding North Africa), against 24% in the rest of the world.

Faced with multiple crises, African countries continue to face uncertain global landscape, declining domestic revenue, rising public debt burden and increasingly constrained policy space. This reduces governments' ability to launch policies to accelerate sustainable development. It also limits countries' ability to adapt to the latest technological advances in an increasingly sophisticated, interconnected and digital global landscape, thus putting them at risk of being left behind as the Fourth Industrial Revolution (4IR) takes hold across the globe.

Turning to Africa's evolving labor markets, several mega-trends including, climate change, technological progress and digitization, demographic changes, impact the nature of work and demand for skills on the continent. The following skills are essential for African populations to be competitive in the changing regional and global environment: (i) cognitive, (ii) socio-emotional, (iii) technical, and (iv) digital. With rapid technological progress, digital skills are becoming particularly important. According to the recent IFC study, about half of the jobs in Africa already require some digital skills. At the same time, technological progress, and adoption of digital technologies has also the potential to help build skills among workers, including those with low education, and hence boost productivity across sectors and jobs. To realize this potential, policies supporting competition and access of firms to capital are needed, besides workers possessing basic education and foundational skills.

The COVID-19 crisis has accelerated key trends impacting Africa such as digitalization and regional cooperation. The structural shifts that the COVID-19 pandemic has accelerated mean that some of the pre-existing skill shortages and mismatches were accentuated; this applies especially to digital skill gaps. Policies will thus need to focus on finding ways to address digital skills shortages in a way that enhances both productivity and employment opportunities. In addition, the continued migration of skilled individuals and the implications of freer movement of people under the African Continental Free Trade Area will need to be incorporated into strategies that address skill gaps and mismatches in countries of origin, especially in critical sectors such as public health.

In this context, the ECA office for North Africa and Oxford Economics Africa are holding the webinar on “Reducing Africa’s Skills Gap” in preparation for the 55th Conference of African Ministers of Finance, Planning and Economic Development of the Economic Commission for Africa (COM2023), taking place in Addis Ababa (Ethiopia) on 15-21 March 2023 under the theme “Fostering recovery and transformation in Africa to reduce inequalities and vulnerabilities.”

With a focus on the experiences of Côte d’Ivoire, Egypt, Kenya, Morocco, South Africa, Rwanda and Zambia, the upcoming report on “Human Capital and Productive Employment Creation: Addressing Africa’s Skills Gap,” jointly produced shows that the demand for specific skills is both a product of the size of the sectors requiring those skills, and a factor in determining the size of these sectors. Governments are therefore recommended to follow two-pronged approaches by putting in place education and training facilities to ensure digital and vocational skills are widespread among their workforces, while ensuring that policies and infrastructures (both hard and soft) allow for the development of strategic, poverty reducing, higher value added and job rich sectors.

Objectives of the webinar

This webinar will be an opportunity to present the main conclusions and recommendations of the upcoming report on “Human Capital and Productive Employment Creation: Addressing Africa’s Skills Gap” and discuss how African countries can use the symbiotic relationship between skills supply and related sector developments to generate a virtuous chain reaction to accelerate their development and economic transformation.

Participants will seek to answer the following questions:

- How can governments define the skills required to accelerate development in strategic sectors?
- What are the conditions for accelerating the development of strategic sectors through human resources policies? What are the characteristics of the policy framework required to make this possible?
- How can “brain drain” impact government policies and how can its effects be circumvented?
- Over the last 52 years, drought-related hazards have led to economic losses of over \$70 billion and contributed to a 34 per cent reduction in agricultural productivity growth

in Africa since 1961. How can governments adapt their policies to mitigate the impact of climate change on their economies and workforces while harnessing the opportunities it brings to the table?

Event format: https://zoom.us/webinar/register/WN_UJnqjinmcSSSXhIKGo-a59w

Date and time: Monday 6 March at 10:00 CET / GMT+1

Languages: Discussions will be simultaneously translated into English, French and Arabic

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