



ROUNDTABLE DISCUSSION SUMMARY NOTE

This roundtable discussion took place on Tuesday 18th March 2014

EMPLOYMENT, ENTERPRISE AND SKILLS: BUILDING BUSINESS INFRASTRUCTURE FOR AFRICAN DEVELOPMENT

The second and final roundtable discussion in the series aimed to address how to cultivate entrepreneurial education, development and training in order to expand employment for young people and women. This session provided a strong focus on agriculture. In essence, how might access to as well as the distribution of appropriate business education, skills and training support young Africans to build their productive capacity and expand employment opportunities for the continent's largest growing demographic?

SUMMARY OF ISSUES EXPLORED

1. The need for coordinated and practical government strategies which are measurable and focus on specific sectors
2. Building better links between education, vocational training and employment markets
3. Cultivating entrepreneurial abilities through the development of talent, leadership and management skills
4. Investing in agriculture to improve productivity and integrate supply chains
5. Sharing and scaling up agricultural development best practice across the private sector

THE NEED FOR COORDINATED AND PRACTICAL GOVERNMENT STRATEGIES WHICH ARE MEASURABLE AND FOCUS ON SPECIFIC SECTORS

60% of those unemployed across Africa are under 25 and over the next decade 11 million young people are expected to enter Africa's labour market annually. Yet, a UNESCO study (2012) of 46 countries, which explored the challenges of developing employment skills for young people, found national employment policies and labour market regulation were often aspirational (and lofty!), static, obsolete and inappropriate. All of which created a skills mismatch. National governments need to be more forward thinking by developing better tools to diagnose employment market needs, improving funding to further and higher education, as well as measure the impact of their responses and develop clearer economic sector targets. This would support development transformation through rising productivity, help develop infrastructure, support greater industrial development (beyond South Africa!) and address chronic issues associated with underemployment. Through a coherent and practical (working across ministries and sectors – not in isolation) approach, based on robust evidence, young people could be better prepared to access the information needed to improve the transition from school to work. Improved national government policy co-ordination could also support efforts to tackle negative public perceptions of employment in certain sectors. For example, employment in agriculture is often regarded as demeaning, yet evidence suggests that agricultural development represents a critical sector for driving employment across Africa. Ironically, jobs in formal sectors such as services, industry and particularly in the public sector are often aspired to. Yet, formal sector employment will have a very limited impact on job creation across the continent in the short to medium term.

BUILDING BETTER LINKS BETWEEN EDUCATION, VOCATIONAL TRAINING AND EMPLOYMENT MARKETS

Relevant vocational training might include appropriate ICT training. This approach looks beyond training focused on traditional areas (such as hairdressing, beauty and auto-mechanics) in order to complement greater regional integration and diversification through trade, given the continent's porous borders. In addition, developing education curricula that emphasise the importance of cultivating soft skills such as effective communication, team working and reliability (e.g. punctuality), solid numeracy and financial literacy, etc. are crucial. Technical skills are less of a curricula priority, as technical capacity can frequently be acquired through on-the-job training and development. In addition to ensuring school leavers and graduates are adequately prepared with relevant and useful transferrable skills to enter the labour market, much more needs to be done to promote and incentivise companies to provide and expand their provision of robust training programmes.

CULTIVATING ENTREPRENEURIAL SKILLS THROUGH THE DEVELOPMENT OF TALENT, LEADERSHIP AND MANAGEMENT CAPABILITIES

An important and often unrecognised asset to help address the youth skills gap and build human capital across Africa is to identify and celebrate those young role models at the forefront of communities who lead by example. Furthermore, the prolific informal industrial business clusters across Nigeria provide an important training ground to develop many transferrable skills. Be it the leather and tanning clusters of Kano, the automotive parts and components clusters of Newi or the chemicals and pharmaceuticals cluster of Lagos. Through the pooling and



mobilising of financial and human resources to achieve collective efficiencies, these industrial clusters illustrate how young people might develop entrepreneurial know-how through local skills-sharing and apprenticeships. What efforts can be made to sustain this multigenerational approach to employment skills development? Greater incentives need to be made available to support and scale up local training programmes. In addition, in order to formally grow such forms of enterprise to compete beyond local markets and expand employment, building responsive leadership capabilities across leadership/management teams could help develop regional talent pools. Such developments might prove instrumental for supporting intra-regional trade by ensuring that regional economies play to their competitive advantages through specialisation and diversification transnationally. Might there be a role for diaspora communities to play in supporting this development?

INVESTING IN AGRICULTURE TO IMPROVE PRODUCTIVITY AND INTEGRATE SUPPLY CHAINS

Agriculture plays a central role in driving economic expansion and has enormous growth potential which needs targeted support in order to increase productivity, tackle rural underemployment and improve the economic empowerment of women through enterprise and employment. The latter is illustrated by the fact that if girls and women were given equal access (compared to men) to productive resources in agriculture, yields in the sector would increase by 30% ('the girl effect'). Current estimates suggest that African coffee yields are 50% lower than those enjoyed by producers in Latin America. Supporting female agriculturalists to sustain their livelihoods and build their resilience to increase productivity in this sector requires address issues related to accessing both working and investment capital. Investment capital can be provided in more innovative ways such as asset loans (as opposed to financial loans). Improving access to finance, specifically to secure working capital will allow farmers to mitigate the volatility of commodity prices by trading at the right price and at the right time. In addition, fragmented agricultural markets need to strengthen underdeveloped value chains such as seed and fertiliser markets as well as their requisite distribution channels. Furthermore, supporting interventions (such as cooperatives) which might help to promote modernisation in farming (through collective action and sharing risks) might also provide training and development which may well endow young people with essential transferrable skills. This represents an important component in tackling rural youth underemployment and the negative perception associated with employment in the agricultural sector.

SHARING AND SCALING UP AGRICULTURE DEVELOPMENT BEST PRACTICE ACROSS THE PRIVATE SECTOR

Multinational corporations cannot single-handedly provide the scale of jobs needed to absorb Africa's growing labour market. Yet, big businesses working through their value chains upstream (through the provision of technical training) and downstream (by promoting enterprise development), could do more to maximise their impact in expanding employment creation across agriculture through a number of channels:

- Improve their understanding of the nature of employment in their areas of operation through sharing expertise and learning as well as working collaboratively with national governments, development agencies and wider civil society
- Seek out employment creation opportunities through improving partnerships with small-holder farmers and enterprises across their supply/value chains
- Develop a coordinated approach through piggybacking and linking policies to scaling up employment opportunities
- Replicate success in order to expand the deployment of interventions that work



CONTRIBUTORS

Acacio Dinis Chacate, Third Secretary at the Mozambique High Commission.

Chukwu-Emeka Chikezie, Founder, Up!-Africa Ltd, a specialist private sector development and African diaspora development consultancy serving bilateral donor agencies, African governments, development finance institutions and private companies operating in Africa. Also co-founded the London-based African Foundation for Development (AFFORD) in 1994.

Lauren Dawes, Head of the Mobile for Employment Programme at the GSM Association.

Dr Amadou Bassirou Diallo (SPEAKER), a Senior Economist at the African Development Bank (AfDB).

Jakob Engel, PhD candidate in Economic Geography, University of Oxford and a researcher at the Smith School of Enterprise and the Environment.

Baroness Kishwer Falkner (CHAIR), Chairman of the Liberal Democrat Parliamentary Policy Committee on Foreign Affairs.

Richard Gilbert, Communications Director for Business Fights Poverty and Deputy Director of Business Action for Africa (BAA), leading policy and advocacy activities for a network of over 200 businesses and development partners working collectively to accelerate growth and poverty reduction in Africa.

Claire Hickson, Managing Director of Trio Policy Ltd.

Dirk Holshausen, leads CDC's work on human capital development, with a particular focus on building management capacity in Africa.

Adam Leach, CEO at Y Care International.

Meredith Lee (SPEAKER), Program Manager at the MasterCard Foundation.

Alessandra Lustrati, Senior Private Sector Advisor (Africa) with the Private Sector Engagement team of CARE International UK.

Anne McCormick, Corporate Relations Director at Diageo Africa which is part of Diageo plc.

Bryan Chidubem Mezue, Forum for Growth and Innovation, Harvard Business School.

Nico Mounard, Managing Director, Twin & Twin Trading.

Yolanda Nokuri Hegngi (SPEAKER), founder of Stimulus Managing Consulting.

Dr Ambika Sampat, Business Development Associate, Acumen.

Stuart Tibbs, Senior Economic Adviser at the Department for International Development (DFID).

Ian Townsend, Lead Analyst, Development Initiatives.

Onyekachi Wambu, Director of Policy and Engagement at the African Foundation for Development (AFFORD).

OBSERVERS

Rhyddid Carter, CDC Group

Sarah Hyder, CDC Group

NOTE TAKERS:

Josephine Osikena, Foreign Policy Centre

Anna Owen, Foreign Policy Centre

Deniz Ugur, Foreign Policy Centre