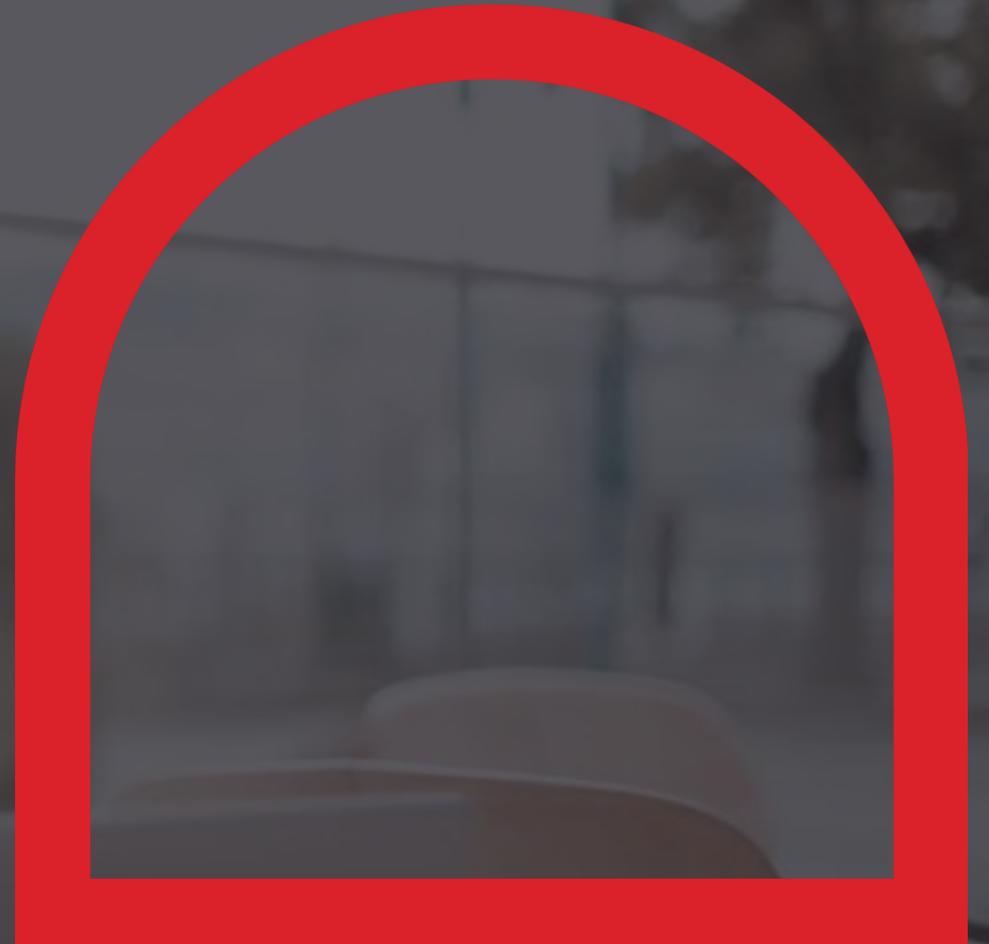




Africa
Foresight
Group

Foresights: Rethinking the world of work

July 2020



This Foresights publication covers...



Overview of Africa's
current
employment profile



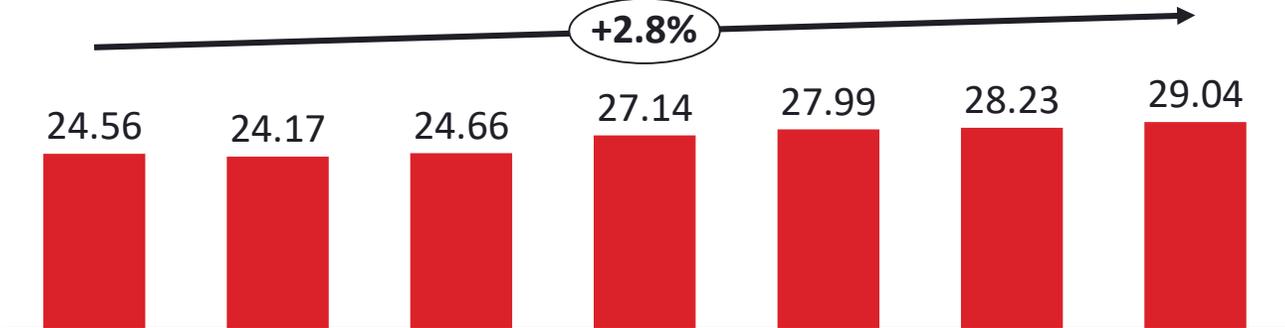
Analysis of options
to alter Africa's
employment profile



Solutions in action

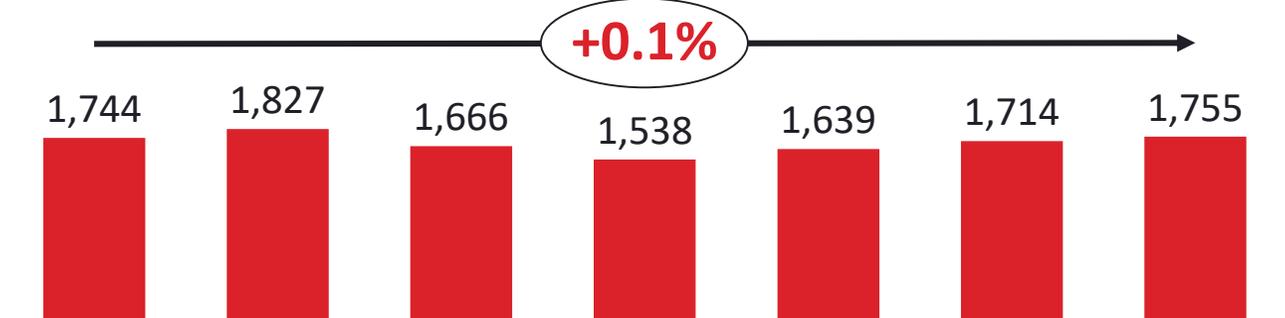
Our GDP growth in Africa is too slow to absorb the rising workforce on the continent – we need new solutions that look beyond our borders

Number of unemployed Sub-Saharan Africans aged 15-24 in mn



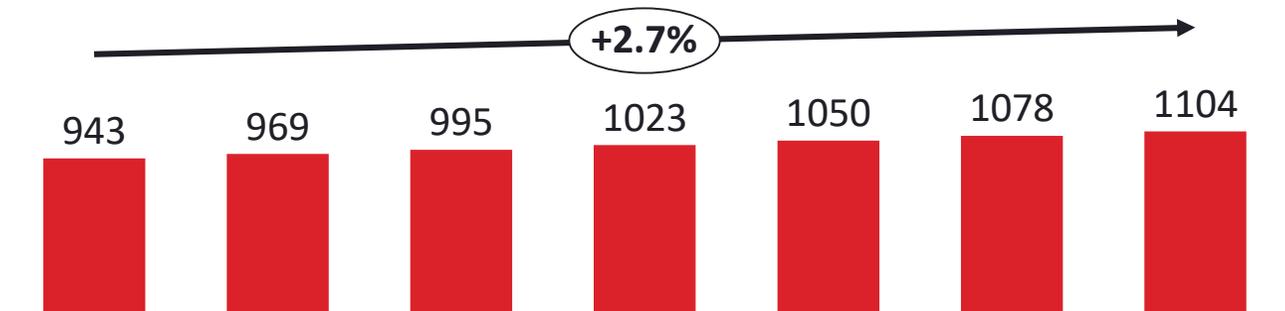
The population of unemployed Africans in SSA has increased by 2.8% annually over the past 7 years...

GDP of Sub-Saharan Africa in bn USD



...which means it has risen 28x faster than the GDP of Sub-Saharan Africa...

Population of Sub-Saharan Africa in mn people



...the challenge will amplify given that our population growth is equally much faster than our GDP growth

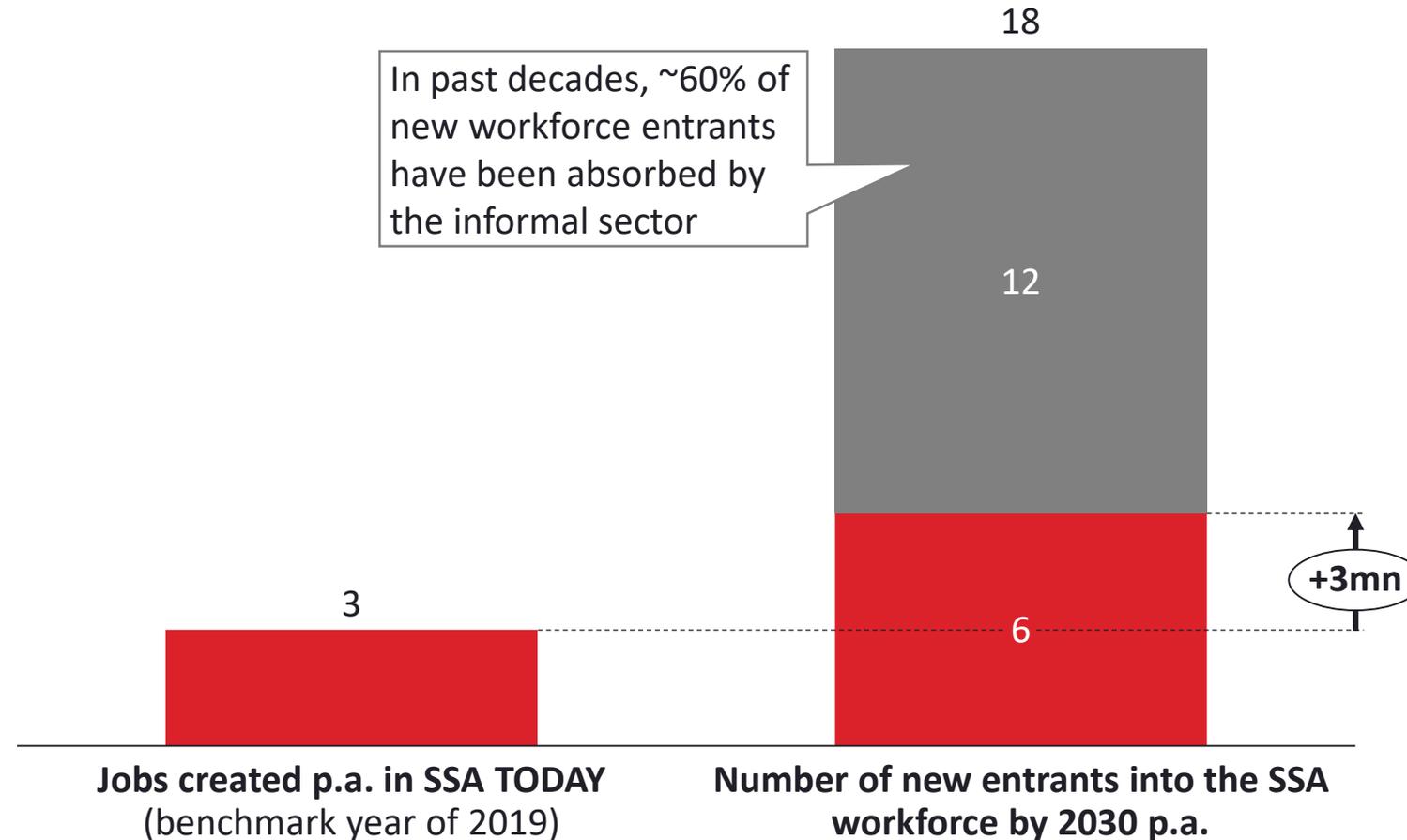
2013 2014 2015 2016 2017 2018 2019

At a minimum, we must create 30mn jobs in SSA over the next 10 years in addition to the current level of annual employment generation

Supply versus demand for work (SSA)

in millions

■ Informal work ■ Formal work



- We **must create 30million jobs in the next 10 years** to avoid a rise in the proportion of unemployed youth by 2030
- **This a minimum expectation.** If we wanted to fully combat the youth unemployment problem in SSA, including the current unemployment population, we would likely have to create at least 250,000 jobs each month in SSA, and this is before looking at **converting informal sector jobs to formal employment to increase quality of work.**

Sense of urgency: If we do nothing about the youth unemployment situation in Africa, we are risking the future of our continent

What the future might look like if we do nothing

Poverty



- The **proportion of extreme poor in Africa by 2030 is estimated to be 87%** if current economic trends persist – we might return to being the “Hopeless Continent” as once put by The Economist

Social conflict



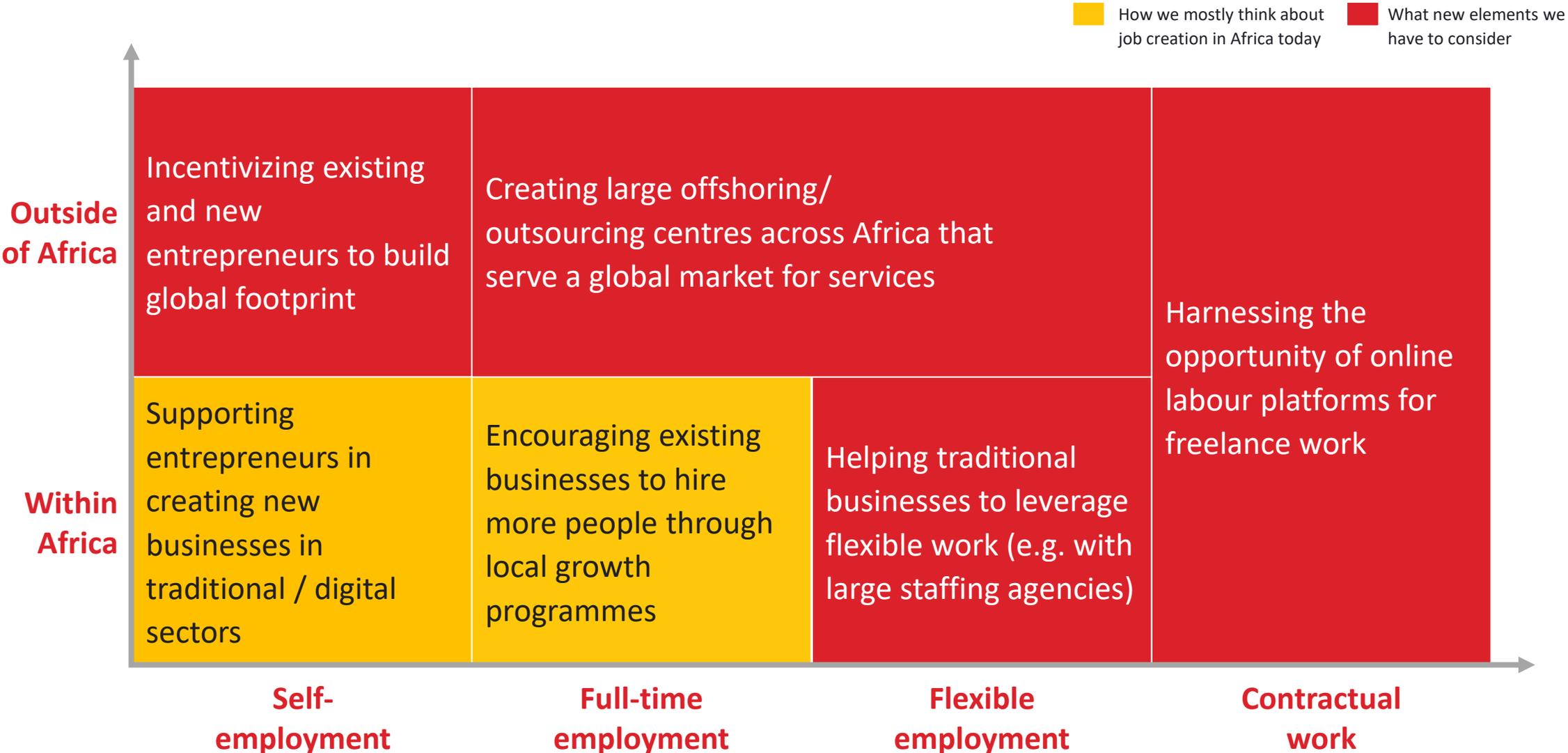
- **5 out of 17 high- and medium-intensity conflict situations in the world are situated in Africa**; continuous rise in economic inequality on the continent can swiftly amplify this trend

Migration



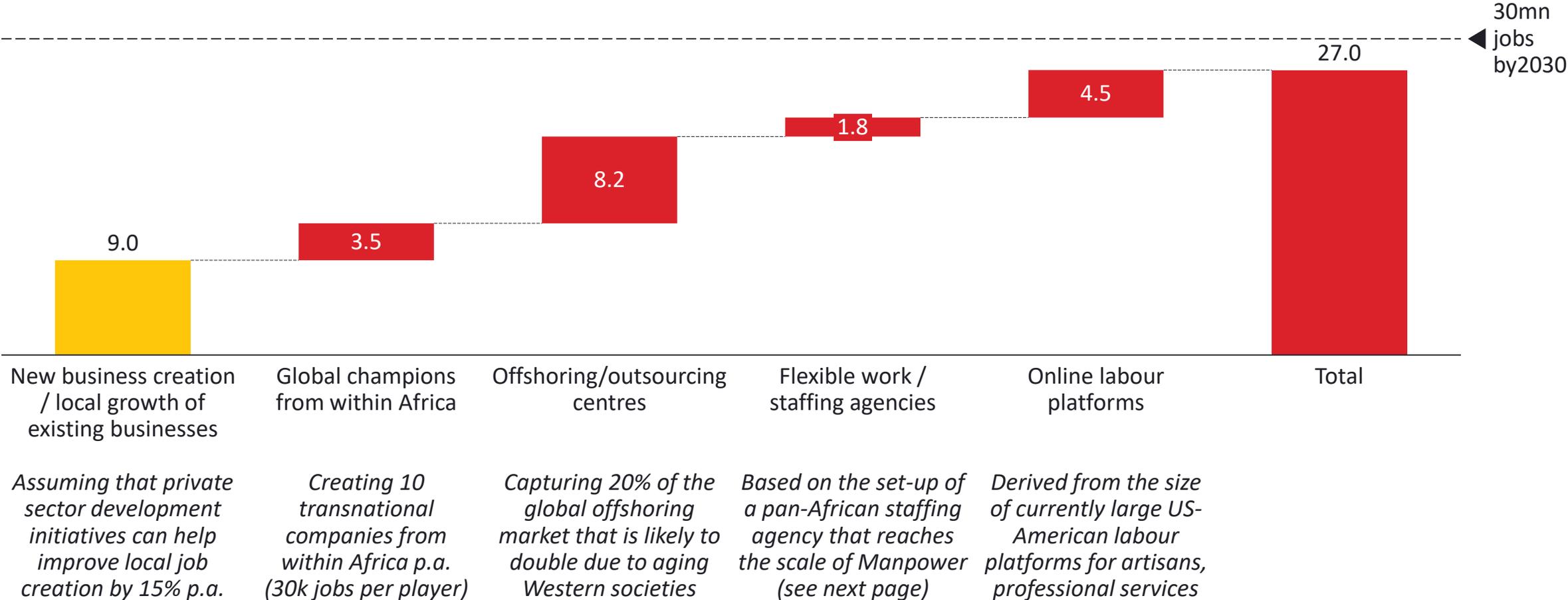
- In 2015, **1.2million African migrants sought asylum in Europe**, having risked their lives commuting on boats – the majority migrated because of lack of economic opportunity and numbers will continue to rise

Several options exist for closing the gap that will define a new world of work



Staying positive – we think that these levers can help to fill most of the 30mn job gap if implemented successfully

Composition of future job creation to fill the gap in millions



3 examples from across the world and different sectors that showcase how building a new world of work can start

New world of work

Pros & Cons

Case Study

Offshoring and outsourcing centers



- ✓ Easy access to skilled expertise
- ✗ Creates job losses



- General Electric’s research and development center in Bengaluru, India, houses close to 5,300+ GE technologists. It is GE’s biggest GRC (global research center) outside the US.

Staffing agencies



- ✓ Fast hiring
- ✗ May be expensive



- Manpower is a staffing agency with more than 3,000 offices in over 80 countries and 60 years of experience of talent outsourcing.

Online Labour Platforms



- ✓ Easy access to a scalable source of labour, skills and expertise
- ✗ Workers are unable to appeal unfair rejections



- Lynk, a Kenyan online labour platform for informal workers, has as of February 2019, enabled over 1,300 informal workers to access over 22,961 jobs

What are foresights?

Foresights are monthly publications of AFG bringing you research insights on a current business topic related to Africa – brief and “on point”.

Think ahead.

