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FUTUREWISE

5 GUIDING PRINCIPLES FOR PREPARING
AFRICAN YOUTH FOR WORK



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1. BACKGROUND

FutureWise is an initiative led by Concordia University, the Association of Commonwealth Universities (ACU), the Agence Universitaire de la Francophonie (AUF) and the University of Lagos. Its main goal is to support universities in sub-Saharan Africa to position them as key players in the efforts to reduce youth unemployment.

As part of the design phase of the initiative, FutureWise conducted 13 interviews with relevant actors representing academia, multilateral and government organizations, philanthropy, industry, civil society, and innovation hubs. The purpose of the interviews was to gather insights for designing a series of roundtables related to the objectives of FutureWise, inform the overall strategy of the initiative, and start gaining traction towards implementation. This white paper report provides a summary of the key insights and recommendations obtained during the interviews.

2. CHALLENGES

Although the idea of promoting entrepreneurship would be an attractive way to generate youth employment, several barriers need to be acknowledged. The interviews allowed to identify the main barriers for reducing youth unemployment in sub-Saharan Africa through entrepreneurship, which could be classified as follows:

- Capacity-related barriers
- Policy-related barriers
- Structural barriers
- Curriculum-related barriers
- Other barriers

“Young entrepreneurs usually don’t have access to the right support to channel their entrepreneurial ideas into a business.”

Capacity-Related barriers

Most interviewees referred to the lack of individual capacities as a significant barrier to entrepreneurship. The capacity deficiency ranged from basic literacy to financial literacy. Other interviewees also mentioned that in general, many young entrepreneurs do not have the skills and management knowledge to understand markets, services and products in a way that would allow them to run a business.

Some interviewees also referred to the lack of institutional capacity among organizations that promote entrepreneurship. In some cases, many of these organizations are start-ups themselves struggling to survive and others, such as government institutions, lack long-term vision and strategic plans because they are often tied to political agendas.

Policy-Related Barriers

Policy and current regulations are an important component of an enabling environment for entrepreneurship in sub-Saharan Africa. One interviewee mentioned that in countries like Nigeria, regulations are complex and the process to establish a business is so expensive, tedious and bureaucratic that many people cannot

“It is fantastic to provide African entrepreneurs the skills, knowledge and money, but what happens if there is no infrastructure and access to basic services like electricity?”

complete it. In addition, the taxation system is ambiguous and unpredictable. These policy-related barriers make the business environment difficult to navigate and young entrepreneurs become easily discouraged.

Structural Barriers

Inadequate policies and capacity-related issues lead to some structural challenges. One of the interviewees mentioned that “sub-Saharan African economies are driven by a private sector that is mostly informal,” which that leads to fewer permanent positions.

Other structural barriers for entrepreneurs include:

- Lack of basic infrastructure such as housing, transportation and internet connectivity.
- Limited access to information about markets and business opportunities.
- Incapacity to meet the requirements of conventional financial institutions to receive loans.
- Country’s economy itself, including a private sector that isn’t growing nor creating jobs

Structural barriers were also identified at innovation hubs and institutions:

- “Supply-driven perspective” education, leaving most needs of the labour market unmet.
- Lack of basic infrastructure, such as laboratories and equipment.

Curriculum-Related Barriers

Half of the interviewees pointed out a significant mismatch between training programs offered by higher educational institutions and labour market needs. This mismatch seems to be caused by the institutional lack of flexibility and agility to evolve at the pace of the industry.

Updating a university’s curriculum is often a long, bureaucratic process that can take more than a year. Finding instructors who are capable of teaching the material is also difficult. As a result, some find the higher education system archaic.

Another curriculum-related issue is that in general, schools and university programs, other than accounting and finance, are weak in terms of providing financial literacy, which comes at a disadvantage for future entrepreneurs.

Other Barriers

Interviewees referred to other barriers that may be important to consider as they can affect market and investment dynamics. These are:

- Cultural barriers, such as the gender gap in terms of employment and education opportunities; as well as a self-serving entrepreneurial mindset that focuses more on how much money businesses can make and less on the economic and societal value they can generate.
- Limited access to funding and financial services is another most critical barrier. Most young entrepreneurs are regarded

as “high-risk” credit applicants and don’t meet formal financial institutions’ loan requirements.

- Limited mobility opportunities for people to expand their business activities across countries.
- COVID-19 and its impact on institutional landscapes, from the way of teaching to the demand of the labour market or the financial situation. We need to contextualize and reflect on these aspects to understand the pandemic’s long-term effects.

3. OPPORTUNITIES

The interview process revealed key areas of opportunities that are worth exploring as part of Futurewise’s strategy to generate value and help overcome some of the barriers described in the previous section. These opportunities can be clustered as follows:

- Development of practical skills and job readiness
- Applied research and knowledge sharing
- Strengthening links between academia and the private sector
- Tapping into unexplored areas
- Bridging the gender gap

Development of Practical Skills and Job Readiness

Interviewees referred to the importance of harnessing experiential learning or similar approaches to complement current curricula and increase employability opportunities. This could be done by helping people acquire more marketable skills or by becoming entrepreneurs. Those experiential learning opportunities could be:

- Short-term training programs that would allow young graduates and seasoned professionals to acquire specific high-demand skills in the industry or required for entrepreneurship. Financial and digital literacy seem to be particularly important.
- Internships to nurture the relationships and collaboration between academia and industry.
- Incubators and accelerators for universities and training institutions to offer spaces for young people to learn design thinking through ideation processes and partner with coaches and mentors who can help them develop their business ideas or grow existing businesses.

Mentorship and coaching can play a critical role in developing those in-demand skills.

Applied Research and Knowledge Sharing

Some of the interviewees referred to significant information and knowledge gaps that make it difficult for individuals and organizations to access reliable data for business development. From this perspective, higher education institutions (HEIs) could make a significant contribution by conducting research in partnership with NGOs, industry and/or governments to make relevant findings and data accessible. Seemingly, HEIs make little or no effort to build alumni relationships or networks, diminishing the universities’ ability to conduct research about the job placement of their graduates or the type of difficulties they encounter in terms of employability.

“Entrepreneurship cannot be taught in the conventional classroom because you have to be an entrepreneur yourself to train new entrepreneurs. Most faculty members don’t meet this requirement.”

Some interviewees mentioned that there are a number of NGOs advocating for better policies in favour of new entrepreneurs. Unless these NGOs have access to reliable research findings and data, it is difficult for them to present compelling evidence on specific issues that need to be addressed. Therefore, research could be of significant value to support policy advocacy efforts.

Strengthening Links between Academia and the Private Sector

According to one of the interviewees who has industry knowledge, the private sector generates 90% of the employment opportunities in Africa. Therefore, facilitating meaningful dialogue that strengthens the links between academia and industry is regarded as an opportunity for reducing the skill gaps of young graduates. For example: organizing discussion forums, inviting human resource staff from the private sector to share the challenges they face when hiring young graduates to fill certain positions, etc.

Most interviewees referred to the importance of building education programs based on demand and the needs of the private sector. However, as a caveat, some of them highlighted the fact that each industry has its own needs and dynamics. Therefore, if universities and vocational training institutions are to make a difference in terms of job readiness, they should be ready to deliver solutions targeted to particular industries.

“There is no one-size-fits-all solution when it comes to adapting and meeting the needs of the industry for increasing employability in Africa.”

Tapping into Unexplored Areas

Interviewees mentioned that in recent years there has been a strong promotion of the STEM (science, technology, engineering, mathematics) disciplines in sub-Saharan Africa. Some of the interviewees suggested that specific technological areas deserve special attention. They also mentioned that there are other fields that offer great opportunities for entrepreneurship and job creation that have not been explored as widely. The suggested areas of potential interest for a project like FutureWise would be:

- **The Arts.** Based on cultural trends, music and other forms of art could have a great potential in terms of entrepreneurial opportunities.
- **Information and Communication Technology (ICT).** Given the high demand of e-commerce, online financial services and other types of digital platforms, ICTs offer interesting opportunities for entrepreneurship and job creation.
- **Services.** Since services only account for a small percentage of the national GDP, in some sub-Saharan countries — 3% in the case of Nigeria — there could be an interesting margin for growth.
- **Commerce** appears to be an interesting domain to create job opportunities because it does not require advanced training and “doing business” is ingrained in the culture of many African countries.
- **The maritime industry** is quite large in Nigeria and offers significant employment opportunities. However, there are no academic programs that target this industry. This could be the case in other countries, where there could be other “hidden industries” to discover.

“Most girls have no encouragement to persevere in the sciences.”

- **The African free trade area.** Africa is establishing a new continental free trade area that could result in open borders and a single market. This opportunity could lead the continent to improve its infrastructure (communications, qualified manpower and robust e-commerce), overcoming its structural barriers and creating jobs in the process.

Bridging the Gender Gap

Some interviewees acknowledged a significant gender gap, both at the employability and the entrepreneurship level. One interviewee mentioned that education has traditionally been prioritized for boys, leaving women with fewer employment opportunities. Gender disparity also affects women’s performance in higher education institutions, especially when it comes to the lack of support in STEM programs. They also explained that the lack of representation becomes a limiting factor for young female entrepreneurs. Most interviewees agreed that there is much work to be done to leverage the potential of African women. Thus, encouraging and supporting them to succeed in their education — including the sciences and technology fields — is a valuable opportunity.

There is evidence that certain African women’s groups that could be regarded as a liability, can in fact become significant drivers of social change. One of the interviewees shared the case of a group of widows who have made a significant difference in a Nigerian rural community that has endured violence for over a decade.

When it comes to entrepreneurship, contrary to men, African women prefer to work within the informal, micro-level domains and focus on social impact work. From this perspective, helping female entrepreneurs move from the exchange mentality to the organization mentality to generate greater socio-economic value could be another interesting opportunity (Overmeyer and Sterling, 2019).

4. FIVE GUIDING PRINCIPLES

The interviews provided insights that can help shape FutureWise’s strategy and convey a value proposition that will set realistic expectations from the beginning. Based on the interviews, these are the main five guiding principles that could help FutureWise best support higher education institutions in sub-Saharan Africa so that they can contribute to youth employment more effectively:

- Embrace the complexity of the local context
- Check the underlying assumptions
- Develop multi-sectoral collaboration for systemic change
- Listen, learn and adapt
- Think about the Future and set a long-term vision

Embrace the Complexity of the Local Context

Tackling youth unemployment in Africa (or any other region of the world) is a complex issue that requires long-term vision and creativity. One way of embracing the complexity around youth employment is understanding the context, which varies from country to country.

“North African entrepreneurs were more disposed towards cyclical, project-based work. In Eastern and Western Africa, there was a greater emphasis on farming and agriculture.”

— Overmeyer and Sterling (2019)

“In West Africa, entrepreneurs, particularly Nigerians, had motivations embedded in profit-oriented language while Central Africa and Eastern African entrepreneurs seemed to be more oriented towards social justice, and community development.”

— Overmeyer and Sterling (2019)

Acknowledging cultural differences in mindset and behaviour is also important to understand local context in connection to entrepreneurship. The study authored by Overmeyer and Sterling (2019) - which was based on a poll of more than 100,000 entrepreneurs revealed important regional differences.

Building local ownership from the initial stages was mentioned as a critical element for the success of the project. One practical mechanism for building local ownership and adapting interventions to a specific context is to leverage local assets. However, it is often overlooked by programs that come with pre-planned prescriptions. Some examples of local assets that should be leveraged and that were mentioned during the interviews are:

- A growing number of highly talented young people.
- The highly entrepreneurial culture of many African countries. “Africa has the highest percentage of entrepreneurs among working-age adults of any continent in the world” (Overmeyer and Sterling, 2019).
- The emerging 4C's: Culture, Caring, Community and Compassion as a complement to the better-known 4Cs (Creativity, Collaboration, Communication and Critical Thinking). They are deeply ingrained in the culture of some African communities and seem particularly critical in pandemic and post-pandemic times.

Check the Underlying Assumptions

An impact evaluation of 120 youth employment initiatives revealed that only 30% of the initiatives had some impact (The World Bank, 2013). In most cases, the impact was low and only yielded temporary results.

These findings and the interviews highlight the importance of reflection on some of the underlying assumptions of the FutureWise initiative, such as:

- African youth unemployment can be addressed through better training.
- Focusing on university students is a good strategy to reduce youth unemployment.
- Universities can significantly help reduce youth unemployment by offering better programs.
- Updating universities' curricula in response to the needs of the labour market is a good strategy.
- Digital technologies can be a promising way of generating youth employment in sub-Saharan Africa.
- Entrepreneurship leads to more jobs.

Develop Multi-Sectoral Collaboration for Systemic Change

Most interviewees highlighted the mismatch between the curricula of higher education institutions and the needs of the labour market. Some also referred to the lack of long-term vision of public programs and to the scarcity of research and reliable data that can be used by entrepreneurs and advocacy groups. From this perspective, some interviewees suggested that FutureWise's strategy should facilitate holistic and multi-sectoral collaboration to get buy-in and engagement from the different stakeholders.

It should pay particular attention to strengthening the relationships between the private sector, government and education institutions.

Listen, Learn and Adapt

In today's context, adaptive capacity is regarded as a critical skill, both at the individual and the organizational level. Some interviewees referred to the importance of adaptive capacity for higher education institutions to align themselves with the increasingly dynamic private sector and the latest learning preferences of youth. Another interviewee highlighted the importance of being opportunistic. In order to inspire higher education institutions and effectively help them become adaptive, FutureWise should adopt the listening-learning-adapting cycle as one of its strategic guiding principles.

“It's good to have a general strategic framework and a sense of direction, but when a great opportunity suddenly opens in a place different to what you had in mind, give yourself the flexibility to go after it.”

Think of the Future and set a Long-Term Vision

Making a difference in complex scenarios that involve multiple stakeholders takes time. According to some of the interviewees, many programs that attempt to address youth unemployment or make curricular changes in higher education institutions fail at generating impact because they lack a long-term plan. One-off efforts such as contests and funding opportunities have proven to fail unless they are part of a comprehensive initiative.

Aside from having a long-term vision and action plan, interviewees encouraged FutureWise to motivate stakeholders to think about the future: for instance, about potential in areas like the creative industry, newer fields and future needs 10 to 20 years from now.

5. CONCLUSIONS & RECOMMENDATIONS

The interviews helped identify potential areas of opportunity and strategic principles that should guide the FutureWise initiative. One of the main conclusions was that in order to make a significant contribution, FutureWise should formulate a value proposition that fills strategic gaps among organizations that are already contributing to reduce youth unemployment. From this perspective, here are the recommended actions and guiding principles.

Actions

- **Facilitate dialogue and collaboration** among higher education institutions, the private sector, government, civil society to address the main issues related to youth employment.
- **Encourage universities to conduct research** in partnership with the private sector and civil society to provide evidence for action, policies and decision-making at different levels.
- **Encourage universities to develop entrepreneurship** programs to stimulate the creation of start-ups by students.
- **Focus on key sectors** that are important sources of employment like the creative industry, the service sector, e-commerce, the maritime industry, renewable energy, fintech, artificial intelligence and other emerging technologies, etc.
- **Provide spaces for envisioning the future** with key actors, especially in regard to post-Covid-19 scenarios and their impact on youth employment in sub-Saharan Africa.

- **Help bridge the gender gap** and adopt a gender perspective to encourage women's participation.
- **Propose a compelling narrative** and develop a communication plan to inspire key actors.

Five Guiding Principles

1. **Embrace complexity** and leverage local assets as a way of building local ownership and driving sustainable change
2. **Check underlying assumptions along the way.**
3. **Collaborate closely with key actors** to build local ownership early-on in the process and provide context and sector-specific solutions.
4. **Incorporate listening, learning and adapting** as core practices. Be opportunistic.
5. **Work with a long-term vision** and impact-oriented approach.

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