

52nd Session of the Economic Commission for Africa

Conference of African Ministers of Finance, Planning and Economic Development

Side-event

Planning for tomorrow workforce: is Africa ready?

Organized by the United Nations African Institute for Economic Development and Planning (IDEP) of the United Nations Economic Commission for Africa (ECA), the Sub regional office for North Africa of ECA

In collaboration with

The Policy Center for the New South, a Moroccan policy-oriented think tank and the High Commission for Planning of Morocco

I- Background

The Future of Work and skills shift are gaining increased attention at international, regional and national level. Globalization, technological breakthrough, demography and climate change are having a profound impact on labor markets, thus affecting both the quantity and quality of future jobs.

The McKinsey Global Institute estimated that the transformation the world is currently experiencing, to be occurring at ten times the pace of the Industrial Revolution and 300 times the scale, or roughly 3,000 times the impact. Technological breakthroughs are transforming our world, through increased processing power, big data, sensors, remote work, and smart devices.

Billions of people are interconnected by mobile devices with unique processing power, storage capacity and timely access to knowledge. Artificial intelligence, robotics, the Internet, autonomous vehicles, 3-D printing, nanotechnology, biotechnology, materials science, energy storage, and quantum computing technologies are emerging and changing every aspect of our working lives. These disruptive changes to business models are having a profound impact on the employment landscape, ranging from significant new job creation to job displacement. The traditional concept of what a job is has been defied by the so-called evolving gig economy.

Competition for the right talent is severe. To compound the issues, 'talent' no longer means the same as a decade ago. For example, graduate talent had for decades been primarily identifiable by academic excellence. That too is changing. In the emerging worlds of work, demand for skills such as technological, social and emotional skills are on rise while most of physical and manual skills are being threatened by increased automation.

Africa cannot afford, nor does it have to, miss these technological driven transformational opportunities; as the world's youngest region today with about 60% of its population under the age of 25 and an estimated 10 to 15 million young people joining Africa's labor market every year, the continent has a demographic dividend that can propel and sustain its transformation. What is required is an adequate enabling environment, visionary leaders at all levels, not only in politics; Leaders eager to support excellence in training and education to respond to evolving future labor market requirements, eager to empower the confident and curious young generation ready to compete globally and

create a whole new economic ecosystem, as well as leaders that embrace change and think exponentially.

Unfortunately, today, African governments are preoccupied with ensuring that the creation of decent jobs matches the high levels of population growth. The continent continues to be confronted with high level of unemployment, vulnerable employment and working poverty with little signs of potential recovery. As reported by the African Development Bank (AfDB); of Africa's nearly 420 million youth aged 15-35, more than 30% are unemployed and discouraged, 30% are vulnerably employed, and only 15% are in wage employment. Africa's youth are missing out employment opportunities. There's an increased mismatch between skills supply and demand according to a new study into the innovation, science and technology requirements needed to push through the continent's transformation agenda, 40% of employers from 43 countries reported difficulty filling open job positions. For instance, in South Africa unemployment rate among young people aged 15–34 was 38, 2% in 2017 and is increasing as more young people join the labor force. Future Agenda noted that in Tunisia, 40% of university graduates are unemployed (<https://www.futureagenda.org/>).

Furthermore, as highlighted in the Continental Education Strategy for Africa 2016–2025, the education systems in most African countries suffer from poor planning, limited allocation of resources, poorly trained teachers and inadequate materials. Despite the increase in the enrolment in primary education about 79% and 50% at secondary education, a minuscule 7% is enrolled in tertiary education. In a nutshell, education and training systems on the continent having remained mostly static, continue not to respond to the needs of the dynamic innovative and knowledge driven labor markets.

There's an urgent need to rethink the education and training systems to keep up with the new demands of the labor markets that are continually challenged by technological disruption, demographic change, shifting business models and the evolving nature of work. This will require breaking down old silos between education systems and labor markets, more agile approaches to regulation, new forms of public-private collaboration, and new norms and values. This transformation needs to address both short term and long term needs in an urgent but sustainable manner. Besides, there's a need to overcome the current skills gaps and to reshape education as well as training programs for the future. The good news is that many efforts are been implemented at regional and global to shed the light of what the world of work looks like today; where are the most significant decent

work deficit to make the future of work the one we want. The International Labor Organization (ILO) launched the Future of Work Centenary Initiative in 2013 to gain greater understanding of the changes we are witnessing and to develop effective policy responses that can shape the future of work. In this regard a Global dialogue on the future of work we want was organized in 2017 and led to the formation of the Global Commission of the future of work which will produce an independent report expected by June 2019 on how to achieve a future of work that provides decent and sustainable work opportunities for all as stated by the goal 8 of the 2030 Agenda of sustainable development. In the same vein more than 110 national dialogues on the future of work were organized. In addition, ILO is also leading a Green Jobs Programme aiming at promoting green and decent jobs for women and men worldwide. Various analysis reveal that the transition to green and blue economies offers immense opportunities for job creation. On the continent the Heads of State and Government adopted the Technical Vocational Education Training (TVET) Continental Strategy during the 23rd ordinary session held in Malabo in 2014. TVET aims at tackling today's global youth employment crisis - characterized by high levels of unemployment and poor quality, low paying jobs through learner's empowerment and promotion of employment, decent work and lifelong learning. TVET aims at developing knowledge, skills and competencies of individuals for their employment, careers, livelihoods and lifelong learning.

It is against this background, that the United Nations African Institute for Economic Development and Planning (IDEP) of the United Nations Economic Commission for Africa (ECA) in collaboration with the Sub regional office of ECA for North Africa, the Policy Center for the New South, a Moroccan policy-oriented think tank based in Rabat, Morocco and the High Commission of Planning from Morocco, is organizing this High Level Policy Dialogue (HLPD) on the theme: *"Planning for tomorrow workforce: is Africa Ready?"*. The HLPD will be held on a margin of the fifty second (52nd) ECA Conference of African Ministers of Finance, Planning and Economic Development to be held from 20-26 March 2019 in Morocco.

II- Objective

The objective of this dialogue is to create space for critical thinking on the relevance of current African education and training systems in an evolving, digital and knowledge based economy; it will encourage exchanges of views from different outlooks and opportunities for Africa to respond to the future of work.

The discussions will also highlight different perspectives on the overall theme: *Planning for tomorrow workforce: is Africa ready?* It will explore the forecasted situation on the labor market and the preparedness of the African education and training systems and innovative partnership that can be promoted. The role of the African Institute for Economic Development and Planning in accelerating reskilling and upskilling of civil servants, governments officials and policy-makers will be debated and clear roadmap adopted.

The outcomes of the High Level Policy Dialogue will feed into the draft resolution of the Conference of African Ministers of Finance, Planning and Economic Development to support evidenced based policy on planning for the future of work.

III. Expected outcome

The Panel will submit a report that will provide a high-level independent contribution to the broader public debate on future of jobs and support Member States in their consultations on these issues.

The report is expected to:

- 1) Raise awareness about the current skills mismatch across society and the economy and provide a platform for multi-stakeholder collaboration to close the skills gap and prepare for the future of work;
- 2) Identify policy, research and best practices as well as ways to improve interdisciplinary action on skills mismatch and skill for decent work and entrepreneurship. Lastly;
- 3) Present concrete proposals and innovative strategies for planning for tomorrow workforce with the support of IDEP.

It is expected that the panel will contribute to the stimulation of discussion among various leaders from business, government, civil society, education and training sectors to accelerate reskilling and upskilling efforts in the current workforce as well as the future-proofing of national education and training systems.

IV- Thematic issues and panel questions

Africa Education and Training Systems- Skills supply vs skill demand: What does it look like?

Addressing skills supply vs skills demand by the labor markets on the continent will require the concerted efforts of all stakeholders. Although the sole responsibility remains with countries governments which have to promote adequate enabling environment for the creation of quality employment and secure access to quality education, it is vital that business, civil society, and the education and training sector are engaged in identifying and implementing solutions.

The topic will be devoted to an overview of skills supply and demand on the continent during the upcoming five-year period. The Speakers will address the topic from the perspective of the current status and future restructuring trends, the need for an adjustment and policy responses as well as mobility on the labor market. Both occupational and geographical, and the role of training and education systems, industry and Private sector in this new landscape will be highlighted.

Furthermore the Speaker will discuss and present different alternatives to traditional matching with occupational classification systems as a basis, and how to make matching methods more comprehensive by means of skills based matching, e.g. by using fuzzy matching.

The speakers will address the following preoccupations:

- *What is the overall current situation of skills mismatch on the continent? What are the root causes of this increased skills mismatch?*
- *How to improve education, training and re-qualification policies to better match the skills with labor market needs?*
- *How to strengthen the effective partnership approach in the design, governance and implementation of the process of skills development?*

- *What should the role of training and education systems, industry and Private sector in this new landscape be?*
- *Closing the skills gap through efficient planning will require reliable and precise time deadlines. Is Africa prepared for that?*
- *What key messages that support policy intervention can be drawn from this topic?*

Can Digitalization Unlock Future Jobs Opportunities in Africa?

Digitalization is currently integrating every sphere of the economy, from personal devices to complex industrial structures. The world we are living is a “connected world” taking on a digital technology dimension through automation, connectivity, and innovation. This is leading into a dynamic change in the cost of labor versus capital, the cost of transacting, the potential for economies of scale and market competition, and the speed of innovation. As a result, the digital transformation will determine how and where goods are produced and services provided, shaping what the world of work will look like.

In Africa digital transformation has emerged with the improvement of the deployment of digital infrastructure, creation and consuming of digital services. This year Africa has seen the fastest growth rates in internet penetration of 20% when the world average is about 7% as reported by global digital agencies. The Internet became a commercial entity, web services arise, and the cloud provided shared computing resources enabling large volumes of transactions at the highest speed, accuracy and lowest cost possible. Significant infrastructure investment increased access to mobile broadband, fibre-optic cable connections to households, and power-supply expansion; The trends with mobile access is astonishing in that Africa is projected to have 725 million unique subscribers by 2020, according to GSMA. Technology is also changing the cost of transactions. Access to markets and resources, due to improved connectivity, helps firms grow and create jobs, or attract work to new markets that are more competitive.

- *Technology-induced unemployment has penetrated media headlines and policy discourse in both advanced and developing countries, is digital transformation threat or opportunities for future jobs in Africa?*

- *What opportunities digitalization, e-commerce and growth in skilled are creating on the Continent?*
- *Consistent and relevant upskilling is vital to ensuring that the workforce keeps pace and is prepared for the evolving employment landscape, is digital transformation a solution?*

Harnessing mega-trends for planning for future Jobs in Africa

The future of jobs and skills is part and parcel of the changing economy and is being continuously influenced by mega-trends particularly globalization, international value and supply chains within the world trading system, more division of labor, demography, climate change and technological disruption.

The interconnected world driven by technological innovation has led to borderless and ceaseless economic activities, changes in global production patterns with significant impacts on employment landscape. The emergence of regional and global supply chains has led to fragmentation of production into tasks and activities; domestic production is offshored, and certain skills are no longer needed; potential displacement of workers and substantial labour reallocation across occupations and sectors are being occurred.

Technological breakthrough, a major driver of growth and development, is also driving the labour market change. Innovations underneath the Fourth Industrial Revolution, such as artificial intelligence, robotics, the Internet, autonomous vehicles, 3-D printing, nanotechnology, biotechnology, materials science, energy storage, and quantum computing technologies, to name a few, are leading to industry disruptions, job destruction, displacement and creation as well as the transformation of existing jobs. Everything that can be automated has started to be automated, such as “robot restaurant” where machine cook and serve your food; AmazonGo providing shopping without checkout lines; in a decade more than 3.4 million drivers will be replaced by self-driving vehicle in US; in Rwanda a drone delivery service delivers medicine and blood to patients in difficult-to-reach areas. As predicts by the World Economic Forum (WEF) 41% of all work activities in South Africa, 44% in Ethiopia, 46% in Nigeria and 52% in Kenya.

Although technology lean towards the major factor of the future of work, in Africa changing population dynamics have led to a bulge in the proportion of the young population entering the labour market, fueling urbanization and contributing to international migration. There is a tremendous opportunity to leverage the potential of this sizeable youth cohort and accelerate economic growth; ILO reported that 12 to 15 million young people are entering the labor market every year and this working-age population is expected to reach 600 million by 2030. The continent has a groundswell of young people who need jobs – and the digital age has the ability to provide them, if well harnessed.

Furthermore, as stated by the 2030 Agenda for Sustainable Development and the SDGs in the medium and long term decent work and environmental sustainability need to get along. As of today most of the advancement in the world of work has been achieved at the expense of environmental sustainability through the intense use of natural resources, or an increase in the ecological footprint. It is obvious that the world is currently going green, this is compounded by the need to accelerate the implementation of Paris agreement on climate change. At present, major shifts are needed in the world of work in order to meet climate change targets, reduce emissions and achieve a transition to a greener economy. In this regard green jobs may dominate the labor market, replace 'brown jobs' in polluting industries.

Against the above backdrop the session will focus on the following questions:

- *Where will the jobs of tomorrow come from in Africa? What they would look like?*
- *What are the opportunities and threats that the fourth industrial revolution are posing for future jobs in Africa? Is the Continent ready and capable of addressing the implications?*
- *What kind of public policy and stakeholder's collaboration will be required to ensure that new jobs in growth industries like computing, personal services, data analytic, biotechnology among others will appear at a rated needed to replace those lost in other areas?*

- *By 2030 the ambition of SDG 8 is “to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”, is Africa on track?”*
- *What key messages to support policy intervention can be drawn from this topic?*

Global and regional initiatives on future of work

Major efforts are being implemented at global and on the continent to understanding changes and evolving requirements of labor markets as well as policy responses that can help shape the future of work to achieve the best possible outcome for our society. Under this topic, on-going programs and initiatives outcomes and perspectives for the continent will be discussed these include:

- (i) *The ILO Future of work and the*
- (ii) *NEPAD Skills Initiatives in Africa: TVET implication in the future of job;*
- (iii) *The African Institute for Economic Development and Planning and the Future of Work.*
- (iv) *Any others relevant initiatives*

V- High level Panel

Panelists will consist of Ministers, private sector experts, NEPAD Planning and Coordinating Agency, the African Union Commission, United Nations and International Organization representatives.

VI- The audience

The audience will include high level Governments’ representatives, representatives of workers and employers’ organizations, international organizations, researchers from Academia and think tank, the private sector as well as representatives of civil society organizations. COM 2019 conference participants with interest in planning for future jobs will also attend.

VII- Contacts

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