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I would like to thank Chairwoman Bass, Ranking Member Smith, and members of the Subcommittee for providing the opportunity to address the panel and submit this statement on the youth bulge in Africa.

By 2030, one-quarter of the world’s total under-25 population will be in Africa.¹ African youth are the global changemakers of tomorrow, determining the economic trajectories of their communities, cities, and countries. They will ensure the African continent fulfills its potential to lift its citizens out of poverty and power the global economy with its economic output, peace and security; but for that to happen, those who care about a stable African economic community, must coordinate their investment in today’s youth. The continent is rich in stories of innovation, entrepreneurship, bravery and commitment by young people doing the hard, day-to-day work of providing basic services in their communities, pushing their voices to be heard by their political leaders, and advocating for change.

Two main challenges, among many, facing young people on the continent are education/workforce development and income generation/job creation. It behooves the United States (U.S.) government to engage this generation if it wants to establish a growing partnership with African countries that will stand the test of time. Policies targeted towards promoting education, small and medium enterprises (SMEs), the digital economy and growing trade will put the United States on the right side of history, ensure a variety of goods are available to U.S. consumers and create larger markets for U.S. exports—thereby supporting U.S. jobs.

Education and Workforce Development

Building human capital is at the heart of any initiative to promote sustainable livelihoods, job growth, and economic stability. Across the continent, the capacity of educational systems to

¹ World Economic Forum. “The Future of Jobs and Skills in Africa.” May 2017.
http://www3.weforum.org/docs/WEF_EGW_FOJ_Africa.pdf. February 11, 2020.

educate youth does not meet demand. According to a 2018 World Bank report, 50 million children remain out of school.² Millions of them and their older siblings have had their education cut short by financial challenges and civil conflict. Nonetheless, these young people are part of their countries' economic fabric and are seeking opportunities to become more economically stable. Separately, there are very educated and unemployed youth, whose skills do not align with labor demand in their communities, a challenge exacerbated by limited access to STEM education and digital skills. According to a 2017 World Economic Forum Report on the Future of Jobs and Skills in Africa, inadequately skilled employees are a significant constraint to business growth in part due to higher demand for employees skilled in the use of digital technologies. In order to align skills with labor needs, there needs to be an investment in educational systems that open opportunities for entrepreneurship and entry into skilled trades and the digital economy.

There are many initiatives addressing these challenges at different levels, including basic education, higher education, technical and vocational training (TVET or VoTech) and adult learning programming. USAID has continued to implement a detailed education portfolio across all levels (from pre-primary through higher education).³ Partnerships between American and African institutions of higher learning are proliferating, as exemplified by the recently announced partnership between Morgan State and the African University College of Communications (AUCC) in Ghana.⁴ The Millennium Challenge Corporation has financed large educational grants for countries like Côte d'Ivoire to improve secondary school education and build TVET centers for job training in key economic sectors.⁵ Moreover, private actors are also stepping in to fill the gap. For example, The African Leadership Group, a consortium of private academic institutions provides education and leadership training from high school to university. It is now looking to expand its footprint to regional Leadership Development Centers across Africa that will educate three million leaders through short courses on issues of leadership, management and strategy.

² Bashir, Sajitha, Marlaine E. Lockheed, Elizabeth Ninan, and Jee-Peng Tan. *Facing Forward: Schooling for Learning in Africa.*, 2018.

³ "2018 USAID Education Policy". USAID.Gov, 2018, https://www.usaid.gov/sites/default/files/documents/1865/2018_Education_Policy_FINAL_WEB.pdf. Accessed 11 Feb 2020.

⁴ McLeod, Ethan. "Morgan State University To Pilot Degree Programs In West Africa". <https://www.bizjournals.com/>, 2020, <https://www.bizjournals.com/baltimore/news/2020/02/10/morgan-state-university-to-pilot-degree-programs.html>. Accessed 11 Feb 2020.

⁵ McLeod, Ethan. "Morgan State University To Pilot Degree Programs In West Africa". <https://www.bizjournals.com/>, 2020, <https://www.bizjournals.com/baltimore/news/2020/02/10/morgan-state-university-to-pilot-degree-programs.html>. Accessed 11 Feb 2020.

TVET institutions can be effective mechanisms for training young people for self-employment, entrepreneurship, and trade skills they need to gain meaningful income. Complementing technical and vocational training with personal and professional effectiveness training is a powerful way to increase the impact of the training programs already taking place. One example of this is the Strengthening Rural Youth Development Through Enterprise (STRYDE) program.

Strengthening Workforce Development Outcomes for Young Adults – A Case Study

STRYDE was a MasterCard Foundation funded program implemented by a non-profit organization called TechnoServe.⁶ In my role as the Director of Program Development at TechnoServe, I worked with our East Africa team to design the second phase of the program in 2016. The program targeted rural youth 18 to 30 in East Africa with the goal of transitioning them to economic independence. In Kenya, Uganda, Tanzania, and Ethiopia, TechnoServe identified 124 local partners to train youth on a curriculum of entrepreneurship, personal effectiveness, professional effectiveness, and personal finance, in addition to the job or technical training they were receiving from the training institution. The program proved to be successful: 65% of previously unengaged youth obtained a job or started a business within four months. It supported income increases for young men and women sustained two years out from training graduation. This program was effective because it complemented technical training with personal and professional effectiveness skills that young people needed in order to increase their confidence and expand their view of what they were empowered to do.

Small and Medium Enterprises Sector

There will be 362 million young Africans, 15 to 25 years old, by 2050.⁷ A Brookings analysis showed that “three-quarters of new entrants to the labor market will work in self-employment or in microenterprises. Some 20 percent will work for wages in the service sector, and only about 4 to 5 percent will find a wage-paying job in industry.”⁸ Moreover, current educational systems are not preparing youth, and particularly girls, with the educational skills to meet labor demand in a twenty-first century economy.

⁶ www.technoserve.org

⁷ Brooks, Karen McConnell; Filmer, Deon P.; Fox, M. Louise; Goyal, Aparajita; Mengistae, Taye Alemu; Premand, Patrick; Ringold, Dena; Sharma, Siddharth; Zorya, Sergiy. 2014. *Youth employment in Sub-Saharan Africa (Vol. 2) : Full report (English)*. Africa development forum. Washington DC ; World Bank Group. <http://documents.worldbank.org/curated/en/424011468192529027/Full-report>

⁸ Page, J. (2019). *How industries without smokestacks can address Africa's youth unemployment crisis*. [online] Available at: https://www.brookings.edu/wp-content/uploads/2019/01/BLS18234_BRO_book_007_CH3.pdf [Accessed 12 Feb. 2020].

U.S. foreign policy already contributes to the development of formal private sector jobs by creating opportunities for U.S. companies to do more business on the continent, through support from the Department of Commerce and the U.S. International Development Finance Corporation (IDFC), formerly OPIC. There are a number of initiatives aimed at the agricultural sector as well through capacity building programs at the U.S. Department of Agriculture (USDA) and the United States Agency for International Development (USAID).

Nonetheless, there is a gap we can fill in addressing the self-employment sector and the service sector that engages young people in both the formal and informal labor markets. 90% of businesses on the African continent are SMEs.⁹ Opportunities for increasing the volume of goods transformed and processed on the continent rely on the success of these types of businesses. Yet, this sector of the economy faces myriad challenges. Smaller businesses are deemed too high risk and have difficulty securing finance. The loan amounts they need fall below the threshold for many angel venture capital financing. Interest rates offered by traditional banking institutions make lending prohibitively costly due to country risk levels. Access to information—on issues such as technical knowledge, financing opportunities, export requirements, sanitary and phytosanitary standards—vary widely.

The solutions that are working involve bringing technical knowledge together with local knowledge to develop approaches that are appropriately tailored and targeted to the needs of young people in their national context. Public private partnerships illustrate such an approach.

Public-Private Partnerships: A Case Study

A strength of the United States is its technical expertise in a broad array of sectors. Public-Private Partnerships have succeeded in bringing that expertise to new areas to support small and medium enterprise growth and economic development. One example of this model working is the SAFE program funded by USAID. This \$15 million Public-Private Partnership Agreement enabled a consortium of global food companies, in partnership with TechnoServe, to help transform food processing through its 500+ corporate volunteer network. The consortium, called Partners in Food Solutions, provided technical food processing expertise through the volunteerism of their employees to businesses that lacked the capacity. They provided technical expertise on improving packaging, helping develop formulations for products so they retain flavor and optimize nutrients, teaching about food safety and quality control, and meeting food standards. This program led to the development of dozens of new nutritious food products by

⁹ "SME Initiatives". *Ifc.Org*, 2020, https://www.ifc.org/wps/wcm/connect/REGION__EXT_Content/Regions/Sub-Saharan+Africa/Advisory+Services/SustainableBusiness/SME_Initiations/. Accessed 12 Feb 2020.

African companies, facilitated \$13M in private investment and led to the creation of new market linkages and job creation by African food processors.¹⁰

Policy Recommendations

Leverage Peace Corps to channel U.S. expertise on STEM education, the digital economy and soft skills training into the networks of youth focused organizations on the continent

The Peace Corps program currently has thousands of volunteers working in local communities on issues of youth development and education. Many of these volunteers are younger professionals, with a smaller number coming in at the mid-career point. I propose leveraging the Peace Corps infrastructure to recruit more mid-career experts to provide ongoing capacity building and training of trainer services to youth-focused organizations on the continent. This approach can leverage the existing relationships Peace Corps has with Ministries of Education, but could also engage collectives of TVETs, nonprofits and other organizations that provide youth education and training. In this way, benefits can flow through formal and informal training and educational channels.

Continue to support public-private partnerships

USAID's 2018 Private Sector Engagement strategy is an important and strong element of U.S. foreign policy that centers sustainable market-led interventions.¹¹ Effective public-private partnerships are an important element of this strategy. As mentioned above, these programs have tremendous potential to bring state of the art business solutions to small and medium enterprises on the continent. But not all partnerships are created equal. There are a number of businesses that see investment in Africa as a corporate social responsibility badge they can waive, without proper consideration for the sustainability and viability of their investments. I encourage USAID to continue to fund the partnerships with businesses that are committed to working in Africa and with African partners as a core part of their business strategy.

Leverage U.S. programming to center youth engagement

Engagement with Africa creates an opportunity for the U.S. to encourage the promotion of youth voices and the centering of their needs. There is a lot of frustration among today's youth about their lack of representation among their political leadership. Basic service delivery—around infrastructure, electricity, and education—is provided unequally within and across countries, further creating resentments and disillusionment. Programming that integrates youth voices in

¹⁰ "Solutions For African Food Enterprises | Technoserve". Technoserve, 2020, <https://www.technoserve.org/our-work/projects/solutions-for-african-food-enterprises/>. Accessed 11 Feb 2020.

¹¹ "2018 USAID Education Policy". USAID.Gov, 2018, https://www.usaid.gov/sites/default/files/documents/1865/2018_Education_Policy_FINAL_WEB.pdf. Accessed 11 Feb 2020.

the development of programming, in service delivery and in the monitoring and evaluation of programming impact leads to improved design and outcomes that can better improve the lives of young people.

Adapt the lessons learned from the small business administration to business development centers in Africa.

In order to target more business support to the small and medium enterprise sector, U.S. policy should include building the capacity of the government, civil and private sectors to provide critical business information to SMEs, similarly to the Small Business Administration' provision of services to small businesses in the U.S.. This could include providing loan guarantees to support access to finance, information on accessing regional and international markets, and business advisory services. As an example, the government of Chile worked with the University of Texas at San Antonio Institute For Economic Development to set up a network of 51 Small Business Development Centers, which have provided business consulting and management training services to thousands of small businesses.¹² In the African context, developing a system where the centers are also run by non-governmental entities will ensure that service delivery can continue, even when government bureaucracies may be less efficient in service delivery.

A Look Ahead

U.S. policy towards Africa needs to take the long view and not to be subject to short-term political gyrations. Over the last couple of decades, the Chinese have been effective in positioning themselves as investment partners to African governments through their persistent presence and a strategy that engages the government, private sector, and local communities.

Companies backed by the Chinese government are competing and winning procurement and other contracts across the continent. The Chinese government is courting partnership by inviting African students to study and entrepreneurs to manufacture their products in China. The United States' response to this dynamic should be to lean into the competition. Markets prosper when there is robust competition. If American businesses and policy makers are in the African marketplace, they can more effectively advocate for standards of procurement, production, and policy that can ultimately improve the quality of systems, processes and products that result. This is particularly true for the digital economy of today and the future. Chinese firms are seizing first

¹² Development, UTSA. *Chile Completes Nationwide Network Of 51 Small Business Development Centers (SBDC), Strengthens Economy, Under Guidance Of UTSA Institute For Economic Development - Institute For Economic Development*. 2020, <https://iedtexas.org/chile-completes-nationwide-network-51-small-business-development-centers-sbdc-strengthens-economy-guidance-utsa-institute-economic-development/>. Accessed 12 Feb 2020.

mover advantage in providing e-commerce and telecom platforms and other digital infrastructure where they do not exist today, in partnership with African entrepreneurs.

In contrast, the United States is increasingly pursuing a policy of isolationism and curtailing the kind of knowledge exchange that has helped its own economy to grow. It has imposed travel bans on Eritrea, Nigeria, Egypt, Sudan, Tanzania and Libya. International students seeking to come to the U.S. for education exchanges are facing longer delays and greater uncertainty.¹³ This is counterproductive and secedes growth partnerships with Africa to China and other countries willing to invest.

For the 21st century, the U.S. needs to demonstrate that it is willing to be a strong partner to African governments and to open the lines of trade and communication with African young people. There is a strong reservoir of goodwill that can be tapped to ensure that American values, businesses, goods and services are part of the economic fabric of a future, competitive, African economy, an economy that uplifts and engages its youth.

¹³ Hartocollis, Anemona. "International Students Face Hurdles Under Trump Administration Policy". *Nytimes.Com*, 2020, <https://www.nytimes.com/2019/08/28/us/international-students-visa.html>. Accessed 12 Feb 2020.