



# Entrepreneurship as a panacea to increasing youth unemployment in Africa

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# Abstract

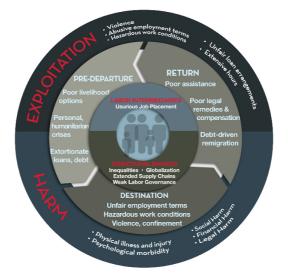
The African youth population is expected to increase up to over 830 million by 2050 and an estimated 263 million young people may not be gainfully employed by 2025 according to the African Development Bank projection. This is quite worrisome as there is currently an increase in migration of young and skilled Africans to other continents, as well as poor living conditions, increased crime rates, and social vices among the African youth population as a result of unemployment, amongst other factors. Urgent attention is, therefore, required towards reducing the rate of unemployment in Africa. Although job creation and the provision of economic opportunities for citizens are constitutional duties of government officials and public office holders, the alarming increase in youth unemployment calls for a more holistic and sustainable approach to addressing this challenge – hence the need for human capacity building towards self-employment and sustenance. The promotion of entrepreneurship through formal and informal education in Africa, provision of mentorship programmes, and start-up funds will provide a short- and long-term solution to the scourge of youth unemployment in Africa.

## **Keywords**

Africa, entrepreneurship, human capacity building, unemployment, youth

## Introduction

The population of youth in Africa between the age of 15 to 35 is estimated to be over 400 million and it is still rapidly increasing (AFDB 2016). This may stimulate economic growth if properly harnessed. But today, most of the youths in Africa are unemployed and without economic opportunities. Millions of academic graduates enter the workforce annually, with few jobs available or created to get them gainfully employed. This has led to an increase in the crime rate, conflicts, poor living standards, an increased mortality rate, human trafficking, and youth migration out of Africa in search of greener pastures (Zimmerman and Kiss 2017; Munoz et al. 2020). The impact of unemployment and/or unfavourable employment, as well as socioeconomic factors responsible for labour migration, are summarised in Figure 1.



*Figure 1. Determinants of labour exploitation and unemployment in Africa. Adapted from Zimmerman and Kiss (2017)* 

Fundamentally, to address the growing rate of unemployment in Africa, there is a need for government and other relevant stakeholders to consider the following;

- addressing demand challenges resulting from the divisions and prejudice hinged on socio-economic status, gender, age grouping, and rural-urban divides;
- · addressing supply challenges caused by the lack of requisite skills in fresh



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graduates required in the labour market; and

• strengthening the connection between employers of labour and young Africans. The labour pool must be accessible by employers and the creation of a welldefined database may help in this regard.

#### Entrepreneurship as a panacea

It is impracticable to expect that the government will be able to create jobs that will cater for millions of new job seekers annually. Therefore, a more sustainable approach will be to equip youths with entrepreneurial skills, making them job creators and not seekers (Figure 2). An entrepreneur is a business creator offering goods and/or services for financial gain and bearing associated risks (Henrekson 2007). The process of starting a business by an individual or group of individuals is known as entrepreneurship (Kritikos 2014). The entrepreneur is regarded as an innovator, inventor of new ideas, provider of goods and services. Youth entrepreneurs will help to revitalise the economy, especially during the ongoing global pandemic (Ballock et al. 2020).



#### Figure 2. Keys to becoming a successful youth entrepreneur

Basic entrepreneurship skills that can be taught formally and/or informally include shoe making, cloth sewing, soap making, juice making, freelance writing, blogging, virtual assisting, home cleaning services, courier/errand services, social media influencer, hair stylist, e-commerce retailer, web designer, baker, makeup artist, event planning, car washing, personal trainer, yoga teaching, tutor, graphic designing, housekeeping, proof-reader, language translator, etc. There are many small- and medium-scale businesses that youths can engage themselves in that require little or no capital for start-ups. However, to help African youths, certain qualities and business skills should be part of our formal education in Africa irrespective of discipline or field of study, and they include financial and project management skills, marketing skills, communication skills, leadership skills, time management skills, networking skills and several other business skills.

## **Conclusion and policy considerations**

As we celebrate youth month in June annually, African youths must cultivate a 'producer' mentality (a creative mindset) and reduce the consumer-based mindset. As an example, Mark Zuckerberg, the founder of Facebook, started the social media platform as a college student; therefore, to beat the scourge of unemployment in Africa we must be innovative and be willing to start small. Secondly, we must be willing to develop new skills through reading, learning and attempting new tasks. As aspiring entrepreneurs, youths need to seek out entrepreneurial endeavours inherent in their chosen disciplines.

Another aspect of thriving as a business developer is identifying the right problem to solve, as this will guide the choice of goods and services to provide to clients/ consumers. There is a need for proper business planning and networking before engaging in any profitable venture, identifying the market, developing the goods/ services and determining the best marketing strategy. E-commerce has become more relevant in this age, especially because of the pandemic and ease of service delivery. Therefore, young entrepreneurs must seek to use their various social media platforms for profitable use. The over-dependence on college degrees and the culture of laziness should be abhorred if we are to reduce the growing rate of unemployment in Africa.

Furthermore, relevant stakeholders in the academic sector and government should consider the following:

• Entrepreneurial aspects and prospects of all disciplines should be included in the school curriculum. This should include basic business skills and qualities that will equip graduates for potential entrepreneurial activities, within their



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field or beyond.

- There is a need for easy access to start-up loans for university/college graduates who may be willing to create a business of their own. Adequate guidance should be made available to young business owners.
- Loans should be made available at interest rates that are healthy for small- and medium scale businesses, with flexible payback options.

In conclusion, to minimise the continuous migration of skilled labour to other countries where opportunities abound, the government at all levels should remain committed to providing employment and economic opportunities for young Africans, creating a conducive environment for local and foreign investors, and providing adequate support for local businesses in Africa.

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