

Data set 2

High vacancy rates in the presence of large scale unemployment confirm the existence of skills mismatches and are especially substantial in MICs. Although there are large numbers of unemployed young people and a constantly growing labour supply, many enterprises in Africa struggle to fill open positions. In Egypt, for example, about 1.5 million young people are unemployed (ILO 2011b), while at the same time private sector firms cannot fill 600 000 vacancies. In South Africa the situation is even more extreme, with 3 million young people in NEET and 600 000 unemployed university graduates versus 800 000 vacancies (*The Economist*, 2012a). Figure 6.29 shows that unemployment among those with higher education is much higher among youth in MICs than in LICs, suggesting that mismatches between the skills young people have and what the education system offers are greater as countries grow wealthier. A survey among recruitment and temporary work agencies conducted for this report in nine African countries shows that such agencies have a greater struggle to find suitable candidates with tertiary education in South Africa and Tunisia than in countries with much lower incomes such as Kenya, Ghana and even Niger.

At the tertiary level, young Africans are confronted with a university system which has traditionally been focused on educating for public sector employment, with little regard for the needs of the private sector. Often a degree from a tertiary institution is an entry requirement for government employment, with little attention paid to a specific skill set. At the same time tertiary education in technical fields tends to be significantly more expensive than in the social sciences, which makes expansion of such faculties more challenging for public education institutions. Private providers of education could fill this void, leaving the government with duties of quality control and oversight.

As a result African universities do not educate for African needs. As is shown in the preceding discussion of youth in NEET, unemployment rates vary by field of study. Graduates in technical fields such as engineering and information technology (IT) have less problems finding employment than those from the social sciences or humanities. At the same time these latter fields have much higher enrolment and graduation numbers (Table 6.3.) and consequently much higher unemployment numbers. According to African recruitment and temporary work agencies, the most difficult sectors in which to find candidates with tertiary education are those that need specific technical qualifications, such as the extractive industries, logistics, the chemical and pharmaceutical

industries, manufacturing in general and agri-business (results from AEO survey). Given Africa's comparative advantage in agriculture and the great potential for international trade in processed agricultural products, the low number of graduates in the area of agriculture is striking. With 2% of students specialising in agriculture the discipline occupies the same rank among graduates in Africa as it does in Europe, even though agriculture contributes 13% to Africa's GDP compared to 1.4% in Europe (both for 2010, World Bank, 2011c). Agri-business is one of the few sectors for which finding high level managerial candidates is almost impossible in Africa, according to a large recruitment firm active in many African countries. Given the important role extractive industries play in many African countries, the lack of graduates available to work in the sector is similarly striking.

Table 6.3 What do students study? University graduation rates in Africa and the world (2008-2010)

	Education, humanities and arts	Social sciences, business and law	Science	Engineering, manufacturing and construction	Agriculture	Health and welfare	Services	Other
Sub-Saharan Africa	26%	44%	12% (3% ICT)	4%	2%	5%	0%	7%
North Africa	22%	51%	8% (1% ICT)	10%	1%	6%	1%	1%
Asia	23%	30%	6%	20%	4%	9%	4%	4%
Latin America	23%	38%	7%	9%	2%	13%	3%	5%
OECD	25%	37%	10% (3% ICT)	11%	2%	11%	4%	1%

Source: AEO data, UNESCO

From *African Economic Outlook 2012, Promoting Youth Employment*, © AfDB, OECD, UNDP & UNECA 2012

What skills do African businesses need?

What skills do universities supply?

Why is this?

What are the differences with other parts of the world?