



THE NATIONAL TREASURY AND ECONOMIC PLANNING

AERC 59th December 2023 Biannual Plenary Session

Sunday, 26 November 2023

**Youth, Demographic Dividend, Migration and Economic
Opportunities in African Economies**

Guest of Honour

Mr. James Muhati, Principal Secretary, State Department of Economic Planning, The National Treasury and Economic Planning, Republic of Kenya.

Opening Remarks

Ladies and Gentlemen!
All protocols observed!

It is my great pleasure to join you this morning in the 59th Biannual Workshop of African Economic Research Consortium themed ***Youth, Demographic Dividend, Migration and Economic Opportunities in African Economies*** here in Nairobi Kenya today.

I am indeed pleased and honoured to be amidst this gathering of policy makers, top academicians, representatives of multilateral organizations, development partners, think tanks and researchers here today.

The theme of the 59th Biannual Workshop of AERC plenary resonates well with the aspirations of the Government of Kenya, efforts towards empowering youth through education, developing employable skills and creation of job opportunities.

We are living in unprecedented time of high youth population in Africa. According to African Union there over 400 million young people aged between 15-35 years. Kenya alone is projected to have a population of 63.9 million, in 2030, of these, 22.3 million (35%) will be youths aged 15-34 years.

The youth in Kenya presents an opportunity for them to drive the economy if embodied with the right skill sets and have access to gainful employment opportunities. However, youth face myriad challenges in accessing employment, health care and skills to match the job market requirements.

To this end, youth are clearly an untapped resource and clearly, the demographic changes in Africa present an opportunity to accelerate the socioeconomic transformation of the continent through harnessing the demographic dividend.

Ladies and Gentlemen,

According Africa Development Bank, about 10-12 million youths enter the job market but only a quarter are absorbed in the workplace in Africa. Lack of employment opportunities have pushed the young people to poverty and desperation. Over 80 million youths in Sub-Saharan Africa live in poverty.

The situation is exacerbated by ad hoc migration of able-bodied men and women from the continent depleting the skilled labour and human capital. On the flip side, migration can be a boon due to remittances, cross-border trade, and investment flows.

Kenya policy interventions to improve youth well-being have included collaboration with the private sector and development partners. The interventions have focused on development and empowerment of the youth by exposing them to entrepreneurial, leadership, and digital skills.

Some of these policies include: the National Employment Authority act of 2016 which established an Authority that supports youth access to employment; Kenya Vision 2030; Agriculture Sector Development Strategy; Green Economy Strategy and Implementation Plan; Kenya Digital Economy Blueprint; National Disability Mainstreaming Strategy; and Kenya National Policy on Gender and Development.

The Kenyan Government has aligned its policies on youth development to AU policy frameworks, such as African Youth Charter, Youth Decade Plan of Action, and the Malabo Decision on Youth Empowerment.

Ladies and Gentlemen,

Kenya has initiated several programmes and activities to foster youth participation in the country's economy development. These include:

- I. Human capital development through education system. Kenya has reviewed the 8.4.4 curriculum (1985) that has now been succeeded by the competency-based curriculum (CBC- 2017). Kenya has also leveraged its education system to equip students with skills that are required in the labour market. Initiatives such as free primary education (FPE), free secondary education (FSE) and free technical and vocational education (FTVE) and expansion of the university education access have provided necessary pathways for skill development.
- II. In the true spirit of tapping the demographic dividend, the government of Kenya has established the National Youth Service (NYS) to foster youth active

participation in the national development programmes and activities. This has enhanced economic opportunities for youth in Kenya.

- III. The Youth Enterprise Development Fund (YEDF) was established through the Public Financial Management Act to enhance creation of employment for youth through enterprise development. The Fund is a premier project of the Kenya Vision 2030 under the Social Pillar. The Youth Fund mandate is promoting enterprise development as strategic pathway for harnessing and increasing economic opportunities and youth participation in nation-building.
- IV. Kenya Youth Employment and Opportunities (KYEOP) funded by World Bank has seen about 69,069 youth receive grants at the tune Ksh. 2.7 billion. The project is aimed to reach 280,000 youth in urban and rural areas across 17 counties. The project led for skilling interventions and business support. About 86% of youth earned a wage or were self-employed; 20% of those employed prior to the interventions saw an increase in income; and 48% of the recipients of business support interventions created jobs for others (October 2023). The project is extended for scaling up across all counties.

Ladies and Gentlemen,

The Government of Kenya works alongside the private sector to promote youth development. The Kenya Private Sector Alliance in 2023, launched the Kenya Youth Employment and Entrepreneurship Accelerator Program (K-YEEAP). Through the programme KEPSA, has initiate a drive to create 1 million jobs and entrepreneurship avenues for young men and women in 5 years.

The programme aims to accelerate and scale up small enterprises through business financing, market access, business coaching and mentorship. The K-YEAAP also aims to support the digital transformation of small enterprises and creating digitally-enable jobs.

The programme will partner with TVET ecosystems that consists of youth polytechnics, technical training institutes and the national polytechnics in Kenya to deliver its objectives. The project expects to scale up 200, 000 small enterprises, establish 47 County Business Hubs and accelerate 10,000 start-ups.

Investment in digital economy has been prioritized in recent years to expand youth employment. The President of Kenya and the whole cabinet is committed to make Kenya an ICT innovation hub to leverage on digital technology for economic transformation.

Ladies and Gentlemen,

Other private sector initiatives include the Safaricom Foundation Wezesha Programme. The Wezesha Programme has partnered with Generation Kenya (funded by USAID and McKinsey & Company) and Government of Kenya through Technical Vocational Education and Trainings (TVETs) to provide capacity building to unemployed youth aged 18-35 with the knowledge, skills, and tools to increase their employability.

The program has targeted 1,600 youth aged 18-25 years in Vocational Training Centres across the country. Over 9000 secondary school leavers have benefitted from the skill support with 88% employed in decent jobs. Safaricom Foundation has made commitment to support the initiative to a tune of Ksh. 39 million in the next 3 years.

Ladies and Gentlemen,

In the Fourth Medium Term Plan (2023- 2027), under Human Capital Development, the Government of Kenya seeks to recruit a total of 116,000 teachers; continue to undertake education reforms; expand infrastructure in all learning institutions; and strengthen linkages between industry and training institutions.

Priority will also be given to boy-child, youth and women economic empowerment initiatives such as talent development (talanta hela) sports and arts infrastructure development; targeted finance and other affirmative action initiatives.

In addition, 40,000 youth will be trained annually in paramilitary, national service, technical and vocational skills; 10,000 youth will be engaged in National Youth Service (NYS) commercial enterprises; scaling up implementation of the one-year paid national internship for students graduating from teachers, technical and medical colleges and universities by collaborating with industry players; and promoting Industrial Attachment for 20,000 students and lecturers.

In summary, from the Kenyan case, it is evident that Africa's future is in the hands of the youth, and thus investing in their education, training and job creation is panacea for the continent's growth and prosperity.

With these few remarks, I declare the 59th AERC biannual workshop open.

I wish you fruitful deliberations. Thank you.