The skills balancing act in sub-Saharan Africa: Investing in skills for productivity, inclusivity and adaptability

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This book is part of the “Africa Development Forum” series, jointly created in 2009 by the World Bank Group (WBG) and Agence française de développement (AFD) to “focus on issues of significant relevance to Sub-Saharan Africa’s social and economic development” (p. v). Two of the five studies published in 2018 and 2019 provide extensive analyses of education and training issues: *Facing forward: Schooling for learning in Africa* (Bashir et al. 2018),¹ and the *Skills balancing act* study reviewed below. Both are excellent. They should be required reading for practitioners and policymakers working on such issues in sub-Saharan Africa (SSA).

The titles of the skills study’s five chapters aptly describe its focus: (1) Skills and economic transformation; (2) Developing universal foundation skills; (3) Building skills for the school-to-work transition; (4) Building skills for productivity through higher education; and (5) Addressing skills gaps: continuing and remedial education and training for adults and out-of-school youth. Five aspects of the study’s comprehensive analysis are particularly noteworthy:

First, it covers the skills needs of the *whole economy* rather than, as is often the case, focusing on the tiny modern sector, or, in World Economic Forum speak, on “4th Industrial Revolution Skills”. Because 80–90% of SSA’s labour force is engaged in the informal economy, the required accelerated economic transition and poverty reduction cannot be achieved without strong productivity growth in the informal economy, especially in agriculture (APP 2014; ACET 2017; AGRA 2018;

¹ Bashir, S., Lockheed, M., Ninan, E., & Tan, J.-P. (2018). *Facing forward: Schooling for learning in Africa*. Washington, DC: Agence française de développement and World Bank. <https://doi.org/10.1596/978-1-4648-1260-6>.

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AfDB 2018).² While achieving this requires investments in many areas, massive skills upgrading is indispensable.

Second, and related, this study examines the skills needs both of *those already in the labour force* as well as of *future labour force entrants*. Despite SSA's impressive improved education access over the past two decades, the skills gap evident in comparison with other regions has increased. More than two-thirds of workers in SSA have not completed primary education, and more than 300 million have low, if any, literacy skills. Despite these alarming facts, the proportion of domestic and external financing dedicated to the monumental task of skills upgrading is negligible. Also, for the foreseeable future, regardless of their level of education, the large majority of youths will need to create their own employment in the informal economy. Therefore, the study's extensive analysis of this challenge, and of ways to address it, is particularly useful. Moreover, the authors strongly emphasise that, in addition to enhancing productivity growth, what is key to being able to access other basic human rights, such as good health and active participation in social and civic life, is building *foundation skills* for all. This should include investments in maternal health, child nutrition, early childhood education and solid literacy and numeracy.

Third, this study covers the national system of *Technical and Vocational Education and Training (TVET)* in its entirety. Formal, non-formal and informal TVET streams in SSA are mostly disconnected from each other. Formal TVET is of poor quality and relevance and principally serves the small sector of the formal economy. The informal economy largely has to rely on informal and non-formal training and, importantly, on traditional apprenticeships (Adams et al. 2013).³ Without trying to "formalise" such training, SSA governments must do more to improve its quality and protect the rights of the trainees. Moreover, formal TVET must become more accessible and relevant to the needs of the informal economy. This study also includes a useful discussion of agricultural extension services, noting that the externalities of farmer skills upgrading, combined with well-executed agricultural extension, make a strong case for public intervention.

Fourth, commendable attention is given to the very difficult *resource allocation trade-offs* most SSA countries face in better aligning their skills investments with

² APP (Africa Progress Panel) (2014). *Grain, fish, money: Financing Africa's green and blue revolution*. Africa progress report 2014. Geneva: APP. Retrieved 10 July 2020 from https://reliefweb.int/sites/reliefweb.int/files/resources/Africa_Progress_Report_2014.pdf.

ACET (African Center for Economic Transformation) (2017). *Agriculture powering Africa's economic transformation*. African transformation report 2017. Accra: ACET. Retrieved 10 July 2020 from <http://acetforafrica.org/acet/wp-content/uploads/publications/2017/10/ATR17-overview-english-for-web-0911.pdf>.

AGRA (Alliance for a Green Revolution in Africa) (2018). *Africa agriculture status report: Catalyzing government capacity to drive agricultural transformation* (Issue 6). Nairobi: AGRA. Retrieved 10 July 2020 from <https://agra.org/wp-content/uploads/2018/10/AASR-2018.pdf>.

AfDB (African Development Bank) (2018). *African economic outlook 2018*. Abidjan: AfDB. Retrieved 10 July 2020 from https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/African_Economic_Outlook_2018_-_EN.pdf.

³ Adams, A.V., Johansson de Silva, S., & Razmara, S. (2013). *Improving skills development in the informal sector: Strategies for sub-Saharan Africa*. Directions in Development, Human Development series. Washington, DC: World Bank. <http://dx.doi.org/10.1596/978-0-8213-9968-2>.

the three policy objectives cited in the study's title: improved productivity, inclusivity and adaptability. Importantly, in making such trade-offs, the study emphasises that investment in *universal foundational skills* is "unambiguously wise", as it contributes to all three objectives. Given SSA's uniquely challenging educational, demographic and economic context, I strongly agree with the study's adamant prioritisation of foundation skills. What 21st-century skills could be more needed?

Fifth, this study calls for drastically *improved education system performance*. It correctly laments the serious economic and human waste resulting from systems where the majority of youth do not acquire even basic literacy and numeracy. Addressing this – and enabling better management of the harsh policy trade-offs of the skills balancing act – requires hugely improved institutional capacity in the education sector.

To reiterate, this is an excellent study. However, what is unfortunately missing in this volume are recommendations regarding education *funding priorities* in SSA for WBG, AFD and other agencies to address the study's welcome recommended priority for universal foundation skills. Though their significance is perhaps obvious, two areas deserve attention here.

First, while most SSA countries are unlikely to even reach universal completion of *primary education* by 2030, the share of both domestic and external education funding devoted to primary education has declined in recent years. Moreover, funding for basic skills upgrading, including adult literacy, has already been negligible for decades. This is likely to continue, given the pressure for post-basic education, now reinforced by the fourth United Nations Education Sustainable Development Goal (SDG 4) calling for universal completion of *upper* secondary education and access to *tertiary* education (UN 2015).⁴

This study does not discuss its recommended priority for universal foundation skills much in terms of its implications for SSA's ability to reach the other SDG 4 targets (*ibid.*). In fact, SDG 4 is barely mentioned. This is a pity, given the dominating role this goal plays in the global education debate. This study can play an important role in helping countries prioritise those SDG 4 targets that have the strongest positive impact on overall economic productivity, inclusivity and adaptability. The importance of such prioritisation is accentuated by the severe negative impact COVID-19 is likely to have on economic growth and, thus, on education financing. In the absence of such prioritisation, SDG 4 risks strengthening the voice of those who already benefit most from public education spending, and who demand publicly funded post-basic education far beyond what is warranted by labour market demands. This would slow down productivity growth in the informal economy and further weaken the rights and voices of those who will miss out even on basic foundation skills (Fredriksen 2020).⁵

⁴ UN (United Nations). (2015). Sustainable Development Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all [dedicated webpage]. *Sustainable Development Goals knowledge platform* [online resource]. Retrieved 7 July 2020 from <https://sdgs.un.org/goals/goal4>.

⁵ Fredriksen, B. (2020). *Global monitoring of the seven SDG 4 targets for sub-Saharan Africa: The*

Second, I hope a future volume in this series will examine successful strategies for improving education system performance. The massive support for capacity development (CD) of key education institutions, provided over the last three decades by WBG and other agencies, has a poor track record (World Bank 2005a, 2005b; de Grauwe 2009).⁶ This stands in contrast to the results of such support for key finance and economic institutions in particular. This disparity is explained by many factors, including a more favourable incentive environment and higher priority given by both governments and donors to strengthening such institutions. At the same time, education systems have also become larger, more decentralised and very complex.

But, besides this complexity, the “administrative culture” of education ministries and related institutions – often characterised by low accountability and a high degree of patronage, corruption and politicisation – is also a key constraint on improving system performance. Furthermore, what matters are the quality and modalities of the support provided. The two above-referenced 2005 WBG evaluations (WBG 2005a, 2005b) of its support for CD in the education sector found that it often lacked clear objectives and focus, relying on fragmented project-by-project approaches, and that the resulting institutional strengthening was modest. Much can be learned from a systematic CD programme developed over the last two decades. Managed by the International Monetary Fund (IMF) with broad donor support, it is designed to strengthen economic and financial institutions worldwide.⁷ This includes a global network of 16 regional technical support centres, including six created in SSA since 2002. No similar global or regional technical and knowledge-support programmes exist in the education sector. In fact, unlike *global public good functions*⁸ in the

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Footnote 5 (continued)

imperative of prioritizing universal basic education. NORRAG, Special Issue 03, 38–41. Geneva: NORRAG. Retrieved 10 July 2020 from <https://resources.norrag.org/resource/view/544/285>.

⁶ World Bank (2005a). *Building effective states: Forging engaged societies*. Report of the World Bank Task Force on Capacity Development in Africa. Washington, DC: World Bank. Retrieved 10 July 2020 from <http://documents.worldbank.org/curated/en/179121468007199833/Building-effective-states-forging-engaged-societies>.

World Bank (2005b). *Capacity building in Africa: An OED evaluation of World Bank support*. Washington, DC: World Bank Operations Evaluation Department (OED). Retrieved 10 July 2020 from <http://documents1.worldbank.org/curated/en/135051468008418546/pdf/343510PAPER0AF101OFFICIAL0USEONLY1.pdf>.

de Grauwe, A. (2009). *Without capacity, there is no development*. Paris: UNESCO International Institute for Educational Planning (IIEP). Retrieved 10 July 2020 from <https://unesdoc.unesco.org/ark:/48223/pf0000187066/PDF/187066eng.pdf.multi>.

⁷ For more information, visit <https://www.imf.org/en/Capacity-Development> [accessed 17 July 2020].

⁸ Examples of *global public good functions* in education include (a) globally comparable statistics, good practices and research on themes central to developing effective, high-quality and equitable education systems; implementing SDG 4; and managing cross-border externalities in areas such as education of refugees; and (b) investing in agencies and partnerships charged with developing, collecting, analysing and disseminating such data, promoting education innovation and cross-border learning, and developing the institutional capacities of poor countries to use such information (Education Commission 2016).

Education Commission (2016). *The Learning Generation: Investing in education for a changing world*. A report by the International Commission on Financing Global Education Opportunity. New York: The Education Commission. Retrieved 21 July 2020 from <https://report.educationcommission.org/downloads/>.

health, economic and some other sectors, they remain severely underfunded in the education sector.⁹

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⁹ Studies suggest that only about 3% of development assistance for education is devoted to *global public good functions* as compared to 21% in the health sector (Schäferhoff et al. 2015).

Schäferhoff, M., Evans, D., Burnett, N., Komaromi, P., Kraus, J., Levin, A., Dayo Obure, C., Pradhan, E., Sutherland, C.S., Suzuki, E., & Jamison, D.T. (2015). *Estimating the costs and benefits of education from a health perspective*. Berlin: SEEK Development.