

ICED Evidence Library

Role of digital in urban youth employment

Tags: Employment, Jobs, Youth, Digital, Infrastructure, Urban



Image: Addis Ababa Literacy Hackathon

Whilst digital solutions on their own cannot provide a silver bullet to youth unemployment, when viewed as part of a suite of approaches to tackling this issue, digital-focused interventions also have great potential to support the development of a vibrant, valuable youth workforce. Such interventions should be complemented by support in areas such as education and the regulatory environment, which are a vital part of reforming the ecosystem for employment, and high-level economic policy decisions from the government will also be key to solving fundamental challenges. However recent ICED studies have found that the following 4 groupings of digital-related interventions should be seen as core to creating a well-skilled, well-connected youth workforce, able to help emerging economies pivot in a changing world.

For more information on the role of digital solutions in promoting inclusive urban economic development please see the ICED website or contact iced.programming@uk.pwc.com.

Connecting people with job opportunities

The internet has given rise to a range of online talent platforms, which have the potential to connect people both to traditional job opportunities, and to new types of digital work. McKinsey's 'Connecting Talent with Opportunity in the Digital Age' report states that these platforms can help to connect people with opportunities by:

1. Moving youth people from informal to formal employment;
2. Increasing workforce participation
3. Shortening job searches and improvement job matching

Box 1: Ajira Digital

- In November 2016 the Kenyan government established its own BPO portal – Ajira Digital. Its aim is to secure online working opportunities for young people and promote Kenya as a destination for online work. It will also enable the government to keep track of money being earned in this area and collect taxes. It is hoped that the Ajira programme will enable young people to earn roughly 17,000 KSH (£126) per month through completing low-skilled online work.
- For Ajira Digital to be a success, the Kenyan government has recognised the need for additional supports in the form of access to internet and ICTs, as well as training and mentorship for online workers. The Ajira programme intends to establish ICT centres based around public wi-fi hotspots throughout the country. It will also provide a curriculum for online workers covering the basics of digital work, as well as ‘social skills, work ethics and financial literacy’.
- For more information see: <https://www.ajiradigital.go.ke/>

Online job-matching sites are one popular example of digital solutions to finding work. In Tanzania young people use a range of sites including Ajira.go.tz, an online public service recruitment portal created by the President’s Office. Young people also have access to two private job-matching sites – Zoom and BrighterMonday. In recent research in Tanzania young people were found to be enthusiastic about the presence of job sites, and emphasised the importance in helping them be proactive and in finding a job quickly. However, whilst made positive comments about private sites Zoom and BrighterMonday, young people had more critical views regarding the Ajira portal in regards to insufficiently user-centred design and convenience due to sites being:

- Time consuming – Poor site interface design resulted in candidates having to repeatedly enter basic profile and CV information, with some candidates put off by extensive time required.
- Requires sustained connectivity – The need to spend significant amounts of time online in order to complete lengthy application forms was seen as a barrier to using the portal in poorly connected areas. For this reason, sites that provided text alerts when new jobs are announced were viewed positively
- Not fully digital – In some instances application still required manual processes (such as in-person submission of forms), reducing the value of the digital platform.

Box 2: m-Kazi

- m-Kazi, a Kenyan USSD-based job matching platform, was developed specifically to connect people in rural and deprived areas without internet access to jobs. As well as sending job alerts, the platform helped users to create a profile and create a short CV that can be used to apply for job opportunities.
- The service was also designed to save employers time and money compared to traditional recruitment methods. Employers can view applications and CVs submitted in response to job listings via the mobile system, and can also use the system to conduct targeted hires of those with completed profiles.
- For more information see: <http://bit.ly/2sINxOb>

Providing skills training

Through providing flexible models for remote learning, digital technologies have not only acted as a supplement to formal education, but have also enabled learning to extend beyond the classroom to those who are no longer within reach of the education system. While digital learning schemes are frequently used to improve literacy, numeracy, and language skills, they can also be used for technical or vocational training and employability and business skills, which are particularly in demand from

employers. The variety of applications of digital technologies in this area is too great to list comprehensively, but examples include:

1. **M-Learning:** Automated voice and text modules which can be provided via basic feature phones. For more information, see Box 3 on Arifu.
2. **Remote coaching:** Tutoring and mentorship programmes, which can be provided via voice and text or any other online communication channel.

3. **Online educational content:** Provided either via websites or apps, this can encompass a broad spectrum from articles to video. While popular examples exist in Tanzania, including websites such as NoaBongo (discussed in more detail below), their relevance is limited by issues of connectivity and hardware availability.
4. **MOOCs:** Massive Open Online Courses, which seek to bring programmes of study designed by a particular institution to a wide, geographically-dispersed audience. While a number of MOOCs specifically targeted at African learners have been created, such as business skills courses for entrepreneurs provided by the African Management Institute, connectivity and hardware availability continue to limit uptake as in the previous example.

Box 3: Arifu

- One organisation making innovative use of m-Learning is Kenya's Arifu, which specialises in designing and delivering mobile based outreach programmes. Arifu uses SMS technology to send personalised learning content based on the user's preferences and responses.
- One recent project saw Arifu creating a financial education programme for smallholder farmers in Tanzania on behalf of the Connected Farmers' Alliance. Six months on, farmers using Arifu had saved more than five times as much as farmers who did not use the platform.
- See more information here: www.arifu.com

Box 4: Najja7ni Employment

- Based in Tunisia, Najja7ni Employment is a USSD-based mobile service which offers employability skills, financial inclusion and job opportunities to young people without access to the internet. The service can be accessed from any basic mobile handset, even one without credit.
- Developed by education experts, the platform provides information and quizzes relating to employability and financial literacy, while its job matching service allows users to receive alerts about opportunities and submit a mini CV to reach out to potential employers.
- The platform reached over a million young people in its first year. Lessons learned focus on the high degree of localisation needed both in terms of delivery (to fully integrate with local telecom providers' systems), and in terms of content – Najja7ni worked closely with a local NGO (Edupartage) to provide content that corresponded to the needs of the youth labour market.
- For more information see: <http://bit.ly/2tu8VRF>
- Illustration of the Najja7ni m-Employment mobile interface on the left, source: <http://bit.ly/2tqmv7P>



Providing access to finance

Lack of financing is a key constraint to unleashing productivity for small-scale entrepreneurs and farmers. Without the ability to invest in improved materials or products, it can be challenging to move beyond subsistence level profits in either industry. Conversely, more productive agriculture and businesses have the potential to create more and better paying jobs.¹ Digital technologies can help to provide this crucial access to finance in the following ways:

1. **Mobile loans:** With innovative approaches to assessing the creditworthiness of individuals and SMEs (such as using phone and m-money data to develop a credit rating), mobile loan providers have enabled thousands of people to be eligible for small loans for the first time, receiving payments directly to their mobile phones. Examples operational in Tanzania include m-Pawa (an integrated mobile bank account offering savings and loans) and Tala (a mobile credit application firm), though anecdotal evidence cautions that uptake of these services remains less than anticipated – the experience of Arifu (see Box 1) suggests that targeted learning support may be needed to help first-time customers make the most of these platforms.

¹ UNDP, 2015, 'Tanzania Human Development Report 2014: Economic Transformation for Human Development'.

2. **Digitising existing savings groups:** Previously, a major source of credit for many people has been Savings and Credit Co-Operatives (SACCOs) and similar community savings groups. Specialised digital solutions now allow these groups to digitise their processes and store money in mobile accounts, increasing accountability and reducing the risk of theft.
3. **Crowdfunding:** Another option for raising funds without the need to pay back a loan is crowdfunding, where creators raise funds for a specific venture through many small donations. While it is possible to 'crowdfund' in person, the internet provides access to a much wider pool of potential donors. Several such platforms operate within Tanzania, such as the Kenyan m-Changa which offers SMS-based crowdfunding; m-money enabled Ugandan platform Akabbo; and international platforms such as YouCaring and GoFundMe. However, their uptake in Tanzania has been relatively low compared to other countries in the East African region – one study suggests Tanzania's crowdfunding lending flows were approximately \$16m in 2016, some way behind Kenya (\$46.7m) and Uganda (\$30.9m), though slightly ahead of Rwanda (\$9.4m)² – and no prominent home-grown options exist.
4. **Other capital raising platforms:** New approaches to raising funds online are being developed constantly – one example is Kiva, a Kenyan platform which allows investors to browse the profiles of borrowers online and choose to support people such as smallholder farmers.

Fostering a culture of innovation

Finally, there is a role for a digital enabling environment to help improve entrepreneurial capacity. This does not involve specific technologies, but digital-focused spaces such as hubs and incubators. Such spaces may exist in the 'real world' rather than online, but they play a vital role in nurturing digital innovation and supporting the development of fledgling enterprises. Indeed, evidence from Silicon Valley suggests that physical spaces where people can interact and share ideas are crucial to sparking innovation.³ As such, they can have an important role to play in enabling a country to produce relevant digital content and take advantage of digital opportunities. A prominent example is Kenya's iHub, which has hosted over 170 start-ups since it was founded in 2010.⁴

There are a number of different models for such spaces, including those which are led by civil society consortia, academic institutions, and governments.⁵ Their goals also differ:

- Some aim to invest in 'big ideas' and share in the profit;
- Others focus on ecosystem building, including mentorship and skills training, with the aim of producing a steady stream of new tech jobs rather than hoping for a few breakthroughs;
- Others still simply provide co-working spaces and resources to facilitate collaboration and reduce overheads for start-ups.

Box 5: Fetola Old Mutual Legends Project

- The Fetola Old Mutual Legends project, based in South Africa, was a business incubator initiative that focused on supporting SMEs in rural and peri-urban areas. The project ran from 2007-2013. In that time the 144 SMEs involved created job opportunities for more than 3500 people, and experienced an annual turnover of R183.9 million (£11 million). Fetola ascribes the project's success to a number of innovative strategies, including:
 - The use of mobile services which allowed the project to reach beyond urban businesses with internet access;
 - The development of online business-skills modules, specifically designed for use in areas with limited internet access;
 - Remote mentoring, enabling the project to provide individualised support to businesses across the country;
 - A focus on 'soft skills' such as leadership and personal development; and
 - Practical business skills workshops.
- A follow-up survey conducted in 2016 confirmed that even three years after the project's end there was an 87.1% survival rate for the businesses that had been involved – compared to a national average of 37%.
- For more information see: <http://bit.ly/2sl72q6>

For more information on how digital solutions can catalyse inclusive urban growth please consult the ICED website or contact the ICED Facility at contact@icedfacility.org

² Financial Sector Development Africa. 2016. East Africa Crowdfunding Landscape Study. https://www.fsdafrica.org/wp-content/uploads/2016/10/16-11-07-Crowdfunding_Report-final-1.pdf

³ Harvard Business Review. 2014. 'Workspaces that Move People'. <https://hbr.org/2014/10/workspaces-that-move-people>

⁴ Forbes. 2016. 'Kenya's iHub enters a new chapter'. <https://www.forbes.com/sites/tobyshapshak/2016/03/11/kenyas-ihub-enters-a-new-chapter/#194d732b4f6a>

⁵ World Bank Group, 2016, 'World Development Report 2016, Background Paper: How Tech Hubs are helping to Drive Economic Growth in Africa'.