

Youth wave meets tech revolution. And Africa writes a new chapter

Prepared by Stephan Malherbe, CEO of Genesis Analytics and co-director of South Africa in the Digital Age (SADA), for ABSA at the World Economic Forum in Cape Town 2019.

Change is stirring. Not in the ordinary sense of a change of government, or in economic prospects, or in the fortunes of a favoured sports team. But change in the sense of a large, historic watershed that will remake the Africa we know, re-orient the countries to which we belong and entirely transform the societies of which we are part.

Two great forces are intersecting in Africa, and the consequences are impossible to predict. The first force is an explosion in the number of young people: within two decades, the number of age cohorts (say 16-year-olds) has doubled. This will result in a near-doubling of the population of sub-Saharan Africa by 2050, according to projections recently released by the United Nations. With half of the region's population under 18, this African baby boom is going to be with us for a long time.

The technical name for this phenomenon is the demographic transition, in which societies characterised by high death rates and equally high birth rates start to experience a welcome and often sharp reduction in the former. Until such time as birth rates have adjusted downwards too, there is a boom in the number of the young.

Africa is the last major region in the world to undergo this transition. One effect is that young Africans will become the largest youth population on earth. This is all the more striking as many non-African countries now face declining populations, with some 25 countries predicted to suffer declines in population of more than ten per cent by mid-century. This, too, is historic: population declines of this magnitude have not been seen since the epidemics of the late Middle Ages.

Africa's demographic transition is first and foremost a piece of good news. It is part of the process in which countries overcome millennia of terrible infant mortality, women gain control over their lives through education and social empowerment, and life expectancy expands. Such transitions are often also good news in another sense: by increasing the number of the economically active, countries become richer, investment in both people and plant shoots up, and societies are catapulted into middle-income status.

The big question for Africa is: how do we translate the youth boom into an economic boom that will transform all of society for the better?

In part, this is a question about the future of agriculture. Six out of every ten Africans south of the Sahara still earn their livelihood from the land or among the herd. As the population doubles, will agricultural output keep up - and will agricultural employment double too?

The short answer is that many young people will leave the land and seek a future in the cities. Already, all ten of the world's fastest growing cities are in Africa. It is predicted that by 2050, a hundred African cities will have a million people or more, of which nine will have populations in excess of ten million each.

It is here where global tech change, the second great force, comes in. This goes well beyond the AI-driven Fourth Industrial Revolution. The true agent of change is likely to be the combination of the Third and Fourth Industrial Revolutions, which can be jointly referred to as the Digital Age. Many of Africa's young people have already embraced the opportunities of self-expression,

betterment and cosmopolitanism offered by that talisman of the Digital Age, the smartphone. But the opportunities are far greater.

This is the focus of an initiative called South Africa in the Digital Age, or SADA, a partnership between Genesis Analytics and the Gordon Institute of Business Science (GIBS) in Johannesburg.

SADA, which Professor Nick Binedell from GIBS and I direct, has identified three areas of massive digital opportunities for Africa's youth. One of these, engaging young people in offering globally traded services, is envisaged to create 100 000 new export jobs in the next five years, and a total of 500 000 by 2030.

A second opportunity, labour-absorbing platforms, has seen e-hailing, hospitality, e-tailing and job-matching create tens of thousands of income opportunities in just a few years, with the big growth still to come. For Africa as a whole, the opportunity is correspondingly bigger. And indeed, these trends are broadly evident, as countries like Kenya and Rwanda take the regional lead in digitising their economies.

For countries wishing to follow this path, there is much to do.

Luckily, the SADA work - following global thinking by the Pathways for Prosperity Commission on Technology and Inclusive Development (based at Oxford University's Blavatnik School of Government) - is yielding a clear agenda that may gain purchase in many countries. It focuses on five areas of change. One is innovative ways to build the human capital of that youth wave I have just described.

A second is ensuring that the young have access to affordable, high-quality broadband in both cities and rural villages. A third lever of change identified in our work is perhaps more surprising: the need for a new social actor, the eco-system facilitator. This unusual breed has the insight to know what to do to capture global opportunities from African soil, the perseverance to pursue the hard task of building an eco-system, or environment, that will allow new digital business to thrive and scale, and the access and skills to pull it off.

We have seen eco-system facilitators work from within companies, government departments and non-profit organisations. As we move into this era of great change and opportunity, countries will, most of all, need this ability to bring about systemic turnarounds.

Eco-system facilitators and other leaders will have to wrestle down the complexity of so much simultaneous change. New tools and new challenges will require new ways of working.

We, in Africa, as custodians of so many of the world's young, have no choice but to rewrite the rulebook.

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