

Using entrepreneurship and working with the private sector, governments can end the unemployment crisis in Africa

By [Didi Onwu](#), issued by [Irvine Partners](#)

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There can be no doubt that the events of the past two years have had a devastating impact on the African economy. In fact, according to the International Labour Organisation's flagship report, [World Employment and Social Outlook Trends 2022](#), at least 13.3 million jobs and income opportunities were lost as a result of the pandemic. This has only made the severe economic difficulties facing the continent worse.



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But even as the effects of the Covid-19 pandemic linger, green shoots are starting to rise up across the continent. Thanks to a growing crop of young, tech-savvy entrepreneurs, as well as rapidly accelerating connectivity rates, Africa's next chapter could be somewhat brighter than the one just concluded.

But that will only be the case if a collaborative environment that brings together entrepreneurs, corporates, and governments is created.

Building across sectors

If you want a glimpse of how bright that future can be, you need only look at how many young African entrepreneurs are building innovative products and services across a variety of sectors.

Take Farmhut Africa's efforts in the agricultural sector, for example. Owned by 21-year-old entrepreneur Munyaradzi Makosa from Zimbabwe, Farmhut Africa is an AI-powered marketplace connecting farmers to markets that pay fair prices for their produce in the SSA region.

Another entrepreneur doing incredible things in the agricultural space is 22-year-old Tafadzwa Chikwereti from Zimbabwe. He launched eAgro in March 2020 with the sole purpose of creating a platform that fosters resilience and profitability for smallholder farmers using data analytics and machine learning.

In the mobile space, meanwhile, South Africa's Lipa Payments, created by Thando Hlongwane - an Anzisha Prize Fellow - has the potential to be an emerging unicorn. It aims to bring Africa's unbanked population and informal businesses into mainstream banking through mobile. The company recently raised an investment of R10m and is expanding across the continent.

Significantly, all of the businesses mentioned above employ young people and create earning opportunities for others both directly and indirectly through their innovative business models.

Our own research shows that 60% of the businesses owned by young entrepreneurs or Fellows of the Anzisha Prize have created not less than 2,500 work opportunities by starting and scaling up their businesses.

The right environment to thrive

Of course, these entrepreneurs can only do so much, especially if they aren't given the necessary environment to thrive in.

It's critical that governments do everything they can to provide that environment.

For some countries across the continent, that means a radical change in approach.

African governments have often relied on big business and foreign direct investments to bolster economic growth and job creation. The results of this approach have, at best, been mixed. Instead of relying on big business to spur economic growth and create jobs, African governments need instead to focus efforts and resources on improving the chances of success for small and medium-sized businesses.

Additionally, they should focus on building a culture of entrepreneurship from the ground up amongst children and teenagers. Ultimately, the goal should be to create a generation of job creators rather than just job seekers.

Big business has a role to play in creating that environment too. It is, after all, in its own interest to channel entrepreneurial opportunities toward young people and redirect trade to businesses owned by young people. By integrating these businesses into their supply chains, they help uplift the wider population, who can then spend money on their products and services. Governments can further show their support for this kind of approach by creating incentivising policies that reward organisations which support young entrepreneurs.

Change is imperative

Africa's young entrepreneurs are building solutions that have the potential to change not just their own countries and the continent but also the world. Given the right environment, they can create numerous jobs along the way too. In a region facing major unemployment struggles (especially among young people), it's critical that they be allowed to do so.

It's clear then that governments, big businesses, and other players in the entrepreneurial ecosystem must come together and collaborate to create an environment that fosters and supports as many young entrepreneurs as possible.

ABOUT THE AUTHOR

Didi Onwu is the managing editor of youth and investors at the Anzisha Prize. Didi is a cultural hybrid that is passionate about producing and designing stories that push readers to go beyond the page fold. She has a particular passion for our African stories and is sure to give each story the star treatment it deserves. As an assiduous multi-platform journalist, she is well versed in print, online, radio, and digital communications. [\[https://anzishaprize.org/\]](https://anzishaprize.org/)

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