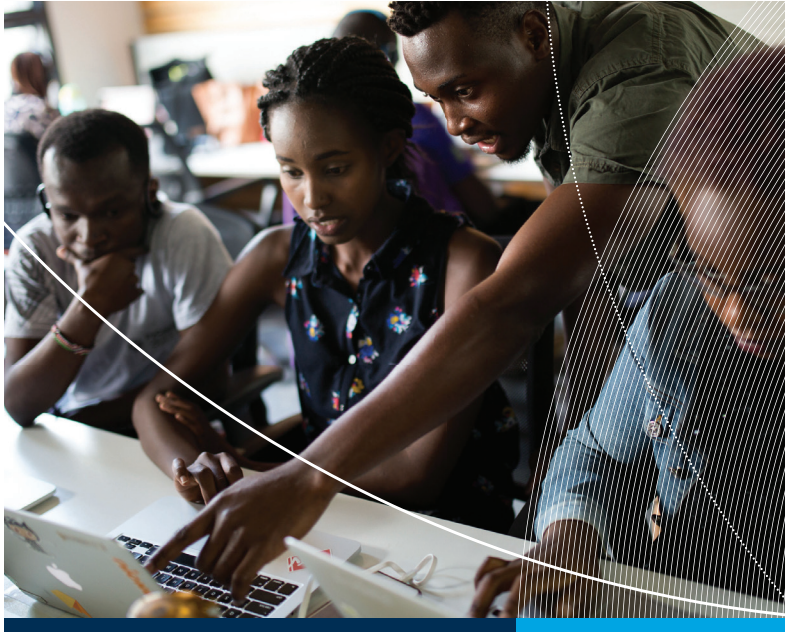


“The digital skills sector is ripe for private sector investment and participation.”

— Sérgio Pimenta, IFC Vice President, Middle East and Africa



A New Study Explores Digital Skills in Sub-Saharan Africa

Many studies have focused on the implications of the Fourth Industrial Revolution and the future of work for developed markets. Fewer studies have examined the effect on Sub-Saharan Africa. Yet, the region has the largest youth population in the world and some of the world’s fastest-growing economies. It is essential that Africa builds the skills and expertise to drive competitiveness in the future.

This study breaks new ground and for the first time provides an estimate of the market size for digital skills in Sub-Saharan Africa and offers a practical set of actions to take to tap into the demand. The study took place from September 2018 to January 2019 and involved a survey of market participants, a market sizing exercise for Ghana and Sub-Saharan Africa digital skills, and detailed assessment of eight case studies that provide best practice examples of how programs can impart skills effectively and drive employability and scale. The study was undertaken by the International Finance Corporation (IFC), the private sector arm of the World Bank Group (WBG), in cooperation with L.E.K. Consulting.

Digital Skills in Sub-Saharan Africa Spotlight on Ghana

IN COOPERATION WITH:



Key Findings

Understanding demand for digital skills

- In Sub-Saharan Africa, over 230 million jobs will require digital skills by 2030, resulting in almost 650 million training opportunities
- Sub-Saharan Africa has a \$130 billion investment opportunity in digital skilling through 2030.
- In Ghana alone, over 9 million jobs will require digital skills by 2030, translating to about 20 million training opportunities. The opportunity in Ghana alone represents nearly \$4 billion in revenue potential through 2030.
- The largest opportunities are in business-to-business and business-to-government training for basic and intermediate skills, though there are significant opportunities in business-to-consumer skilling focused on intermediate and advanced skills.

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Key Findings

Digital skills in Sub-Saharan Africa

- The labor market for digital skills is already highly developed in Sub-Saharan Africa, with survey respondents estimating about half of jobs require some digital skills.
- There is strong demand for digital skills in Sub-Saharan Africa and Ghana. This is driven both by latent economic growth as well as the digitization and automation of agriculture, manufacturing, and services
- Basic skills, including web research and basic software use, are in most demand in Sub-Saharan Africa but some intermediate and advanced skills are also a priority, like digital marketing and artificial intelligence.
- Demand for digital skills is expected to grow at a faster rate in the region than in other global markets.
- However, survey respondents cite a significant gap in supply and demand across all skill levels in all regions, with a lower availability of skills in Sub-Saharan Africa than in other markets and significant gaps in African supply of intermediate and advanced skills.
- The supply of digitally-skilled labor in Sub-Saharan Africa and Ghana must increase to meet anticipated labor market needs or Africa's economies will falter.
- 80 percent of industry participants interviewed believe that an undersupply in digital skills would hamper expected economic growth.
- Even now, of the companies surveyed who only recruit internationally for digital talent, 70% do so because of the lack of skilled locals.
- While governments in Sub-Saharan Africa have taken steps to integrate information and communication technology in education, the policy response has not been sufficient.

Looking Ahead

- Urgent action is required, and the private sector must play a role in addressing the challenge in digital skills.
- This challenge can be met through proven models with potential to scale and lessons to other innovative providers willing to make inroads in the space.
- Digital skills must also be integrated throughout education, including at a foundational level in schools, with the public sector playing a pivotal role.

Closing the skills gap: Insights from global innovations and best practices

- Private providers, governments, and investors must consider how to tap into this demand and advance the digital skills agenda in Sub-Saharan Africa.
- Researchers explored case studies from eight global and regional digital skills providers to understand best practices in fundamentals of operation, student selection, quality and relevance of training, funding models, and scale.
- This report's case studies demonstrate that new ways of operating are required to access this opportunity.
- Short courses are ideal, typically 3 to 12 months long, with a mix of instructional methods geared toward practical learning rather than theoretical understanding.
- A focus on graduate employability is absolutely critical for digital skills courses. Offerings should align with market demand and employer requirements to ensure students gain the technical and soft skills required by industry.
- They should also offer networking, mentorship and career advice to students that would help them transition into jobs.
- Both for-profit and not-for-profit models can operate in this space. Business models will vary depending on the needs of the payer, from students in business-to-consumer set-ups, to government, donors, or companies looking to build technology ecosystems or develop a talent pipeline.
- All potential providers must ensure new or expanded digital skills training is aligned to industry needs and fits specific contexts for African learners.

A shifting landscape for skills

- Advancements in technology are spurring the Fourth Industrial Revolution, driving a significant shift in the skills that will be required for the future workforce.
- There are different skills needed for the future, with socio-behavioral and digital skills critical for success. A survey for the study revealed that socio-behavioral skills dominate the top skills required for the future workforce, and that digital skills are among the top 7 skills identified as important for the future.
- The current labor force lacks sufficient supply of these skills, with this demand-supply gap wider in Sub-Saharan African than other regions
- Education systems need to reform or risk failing to provide skills for the future. There are changes needed in what, how, and when people learn.
- Sub-Saharan Africa must embrace these education shifts even as countries struggle to ensure children are learning in school.
- In the face of the challenges and opportunities faced because of a changing future of work, investment in human capital development is a sensible approach. This is what the World Bank refers to as a "no regrets" policy in the 2019 World Development Report on *The Changing Nature of Work*.