Trends in Youth Labour Market Dynamics: Kenya & Rwanda (2015 - 2030)

Case Study | World Data Lab

Basil Okola

Background

- A partnership between World Data Lab & Mastercard Foundation
- Innovatively use data to aid creation of jobs for 30M African Youth by 2030
- Informed by unprecedented youth bulge projected to rise to ~ 100M between 2023 - 2030[1]
- Inability of LMICs to create high-skilled jobs that match high supply of graduates[2]
- And increasing skilled new entrants (~ 800K Kenya) into the job market with unmatched no. of new descent jobs
- Partnership anticipates decent jobs in Agribusiness, Green Economy, and the Digital Economy[3]
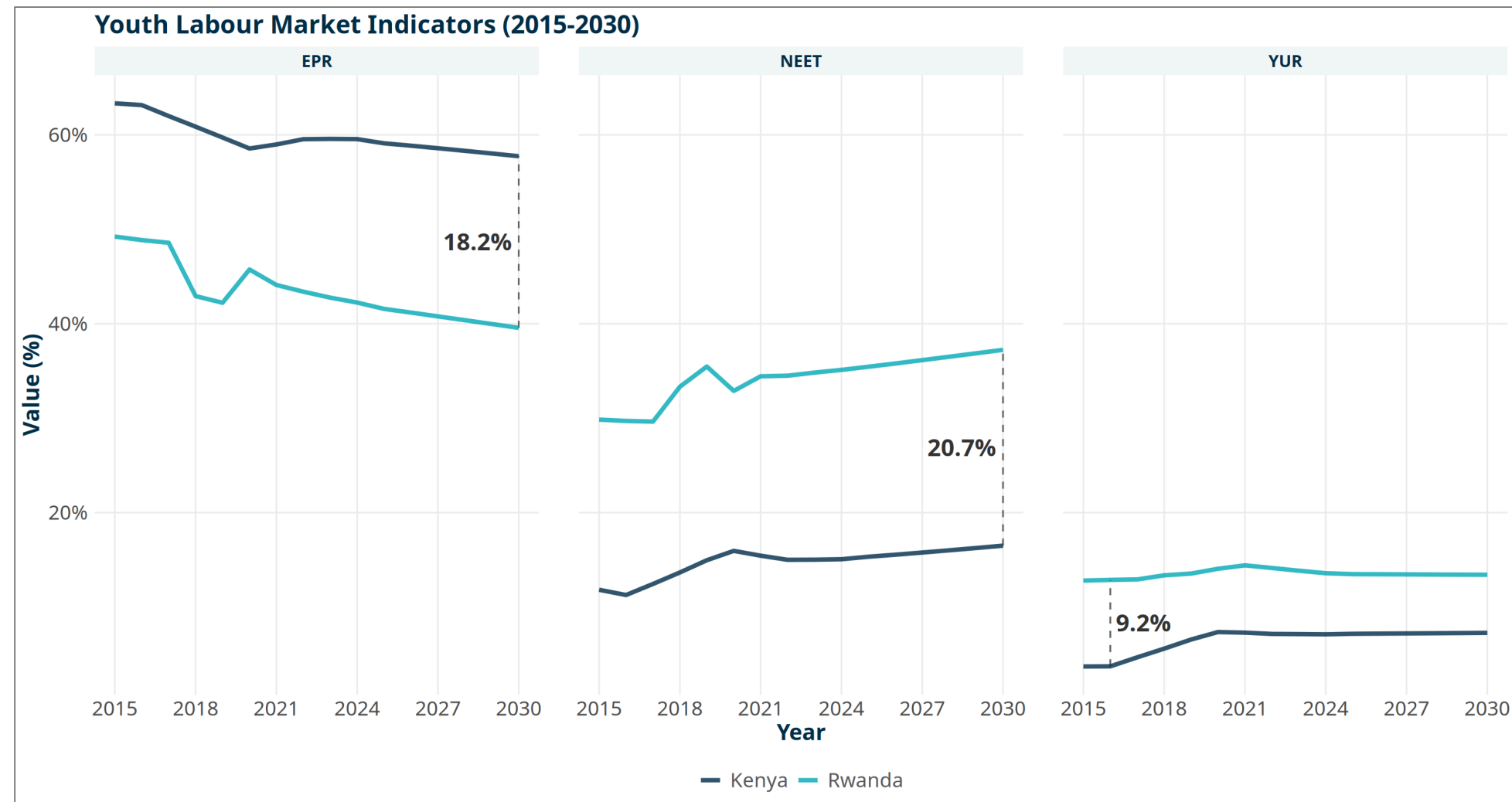
Employment Indicators

Figure 1: Youth emplyment-to-population ratio (EPR), Youth Not in Employment, Education or Training (NEET) and Youth Unemployment Rate (YUR). EPR on a downward trend in both countries but higher in Kenya. NEET on an upward trend, higher rates in Rwanda. YUR flattening.
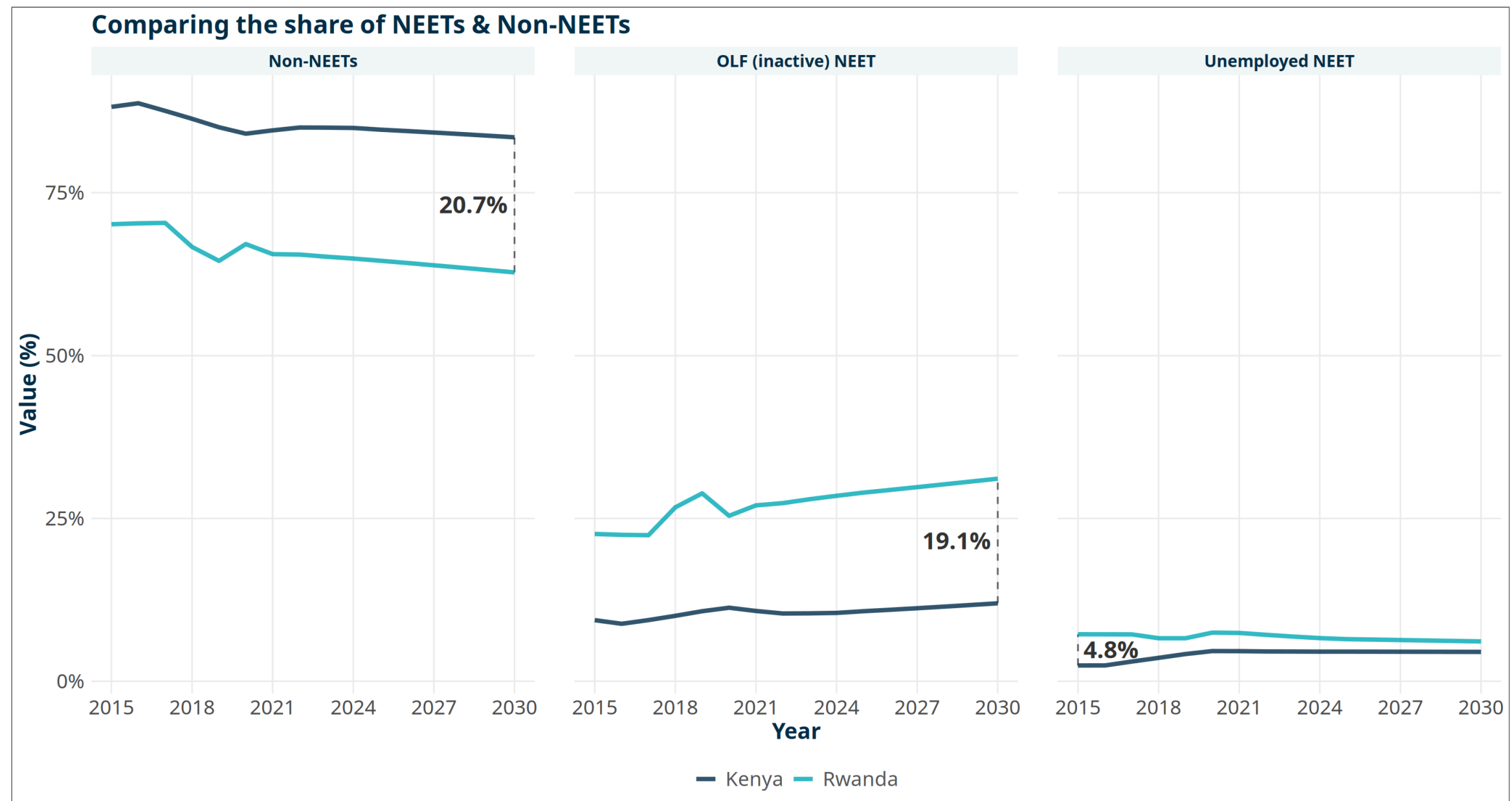
A dive into NEET

Figure 2: Composition of Youth Population: NEET vs. Non–NEET Trends by Gender. This figure confirms our previous observation that employment rates are generally higher in Kenya. It emphasizes that youth that are unemployed are also not in education or training institutions. OLF = Out of Labour Force.
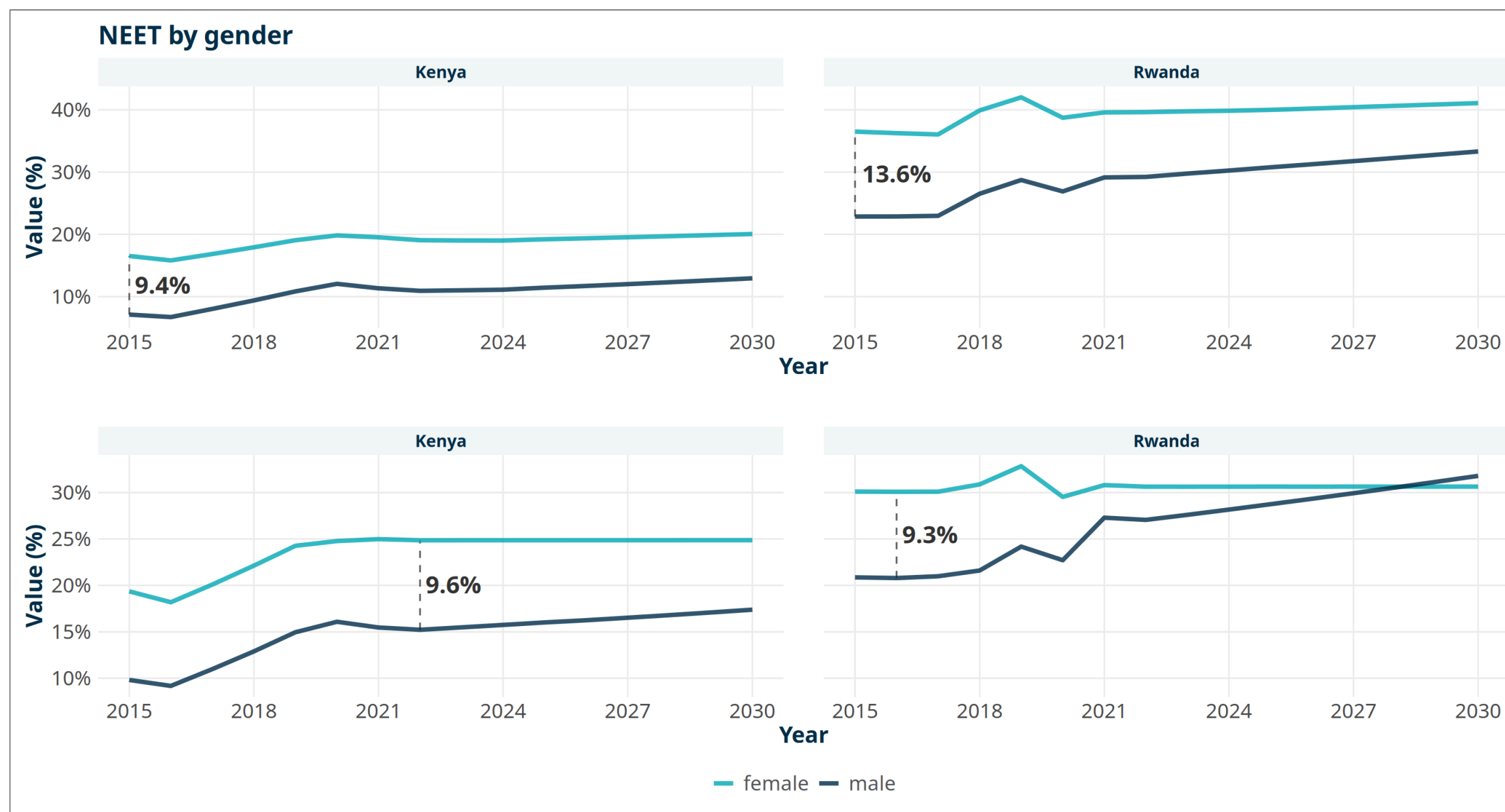
NEET by gender

NEET by gender

Figure 3: NEET trends by gender. Top panel is all the age groups, bottom panel is for the younger youth (age group 15-24).For the younger youth, gender gap is marginally higher in Kenya (up to 9.6% in 2022) while the gap was generally higher in Rwanda (up to 13.6% in 2015) for all age groups, Rwanda having better progress closing gender gap especially for new entrants.
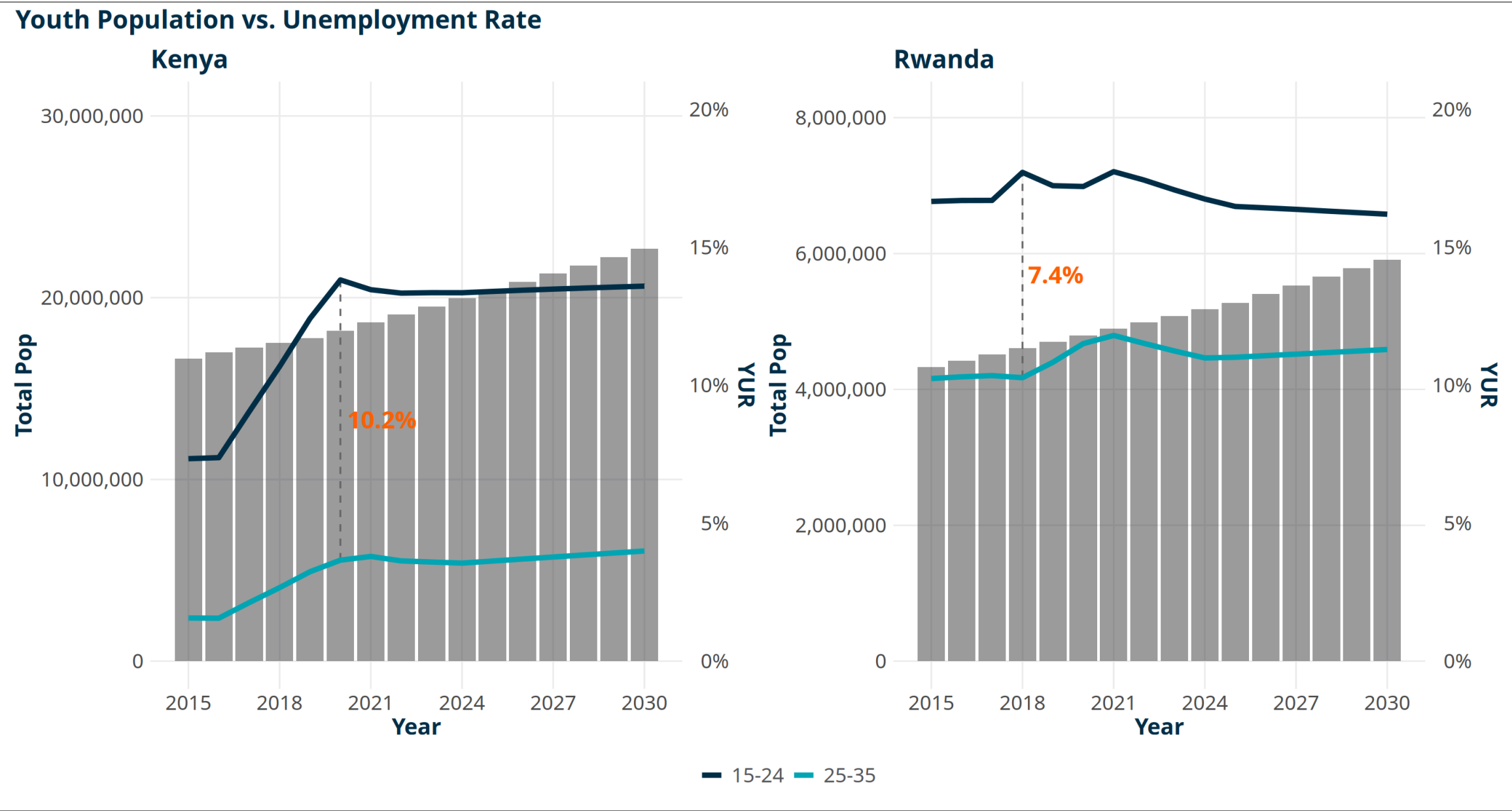
Population & YUR trends by age group

Figure 4: YUR by age group. While YUR higher in Rwanda, new entrants experiencing higher YUR in Kenya up to a 10% point difference in 2020. YUR = Youth Unemployment Rate.
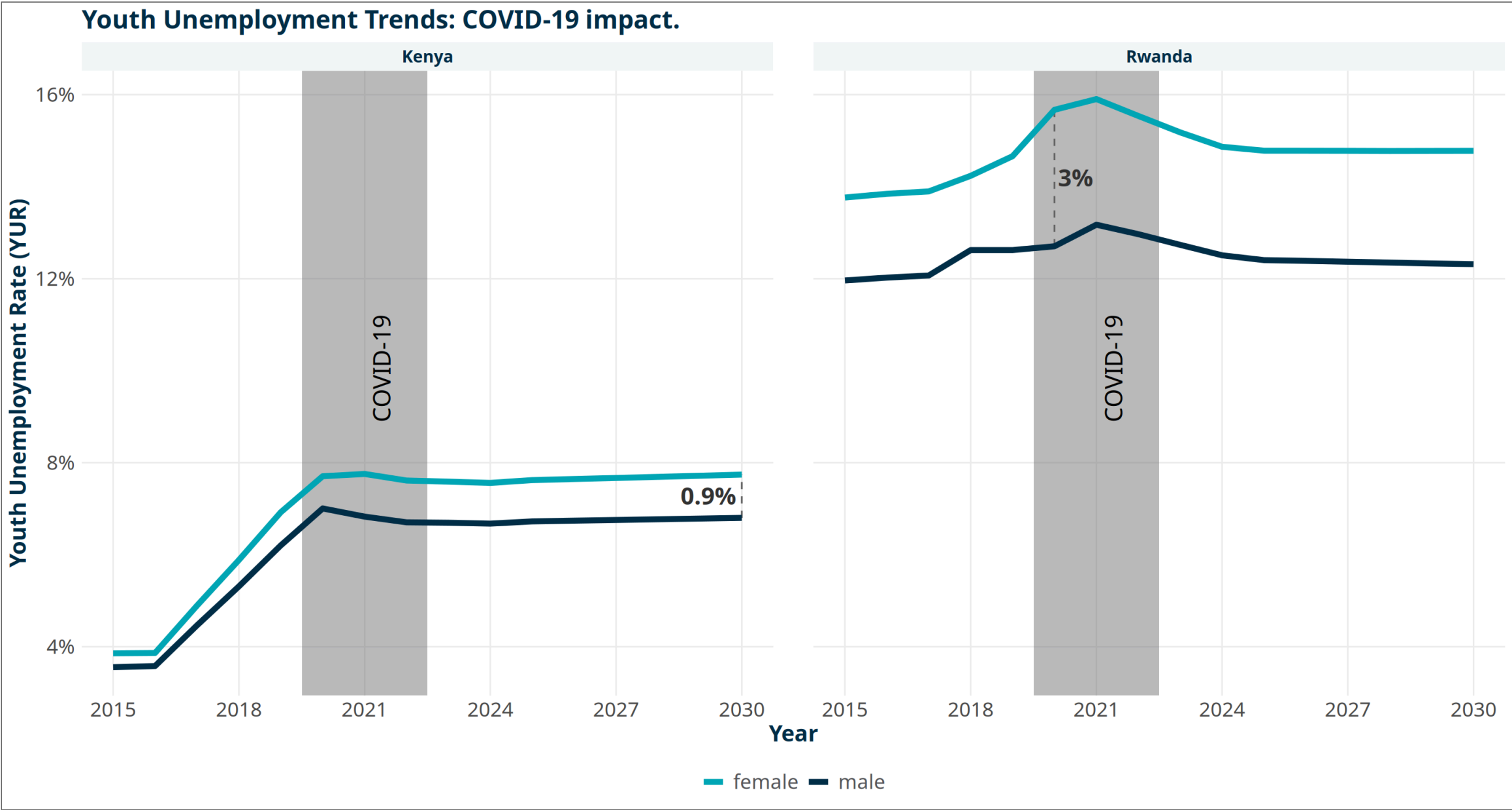
YUR and COVID-19 by gender

Figure 5: YUR by gender. Rwanda more hit by COVID-19 between 2020-2021 then steady recovery up to 2024.
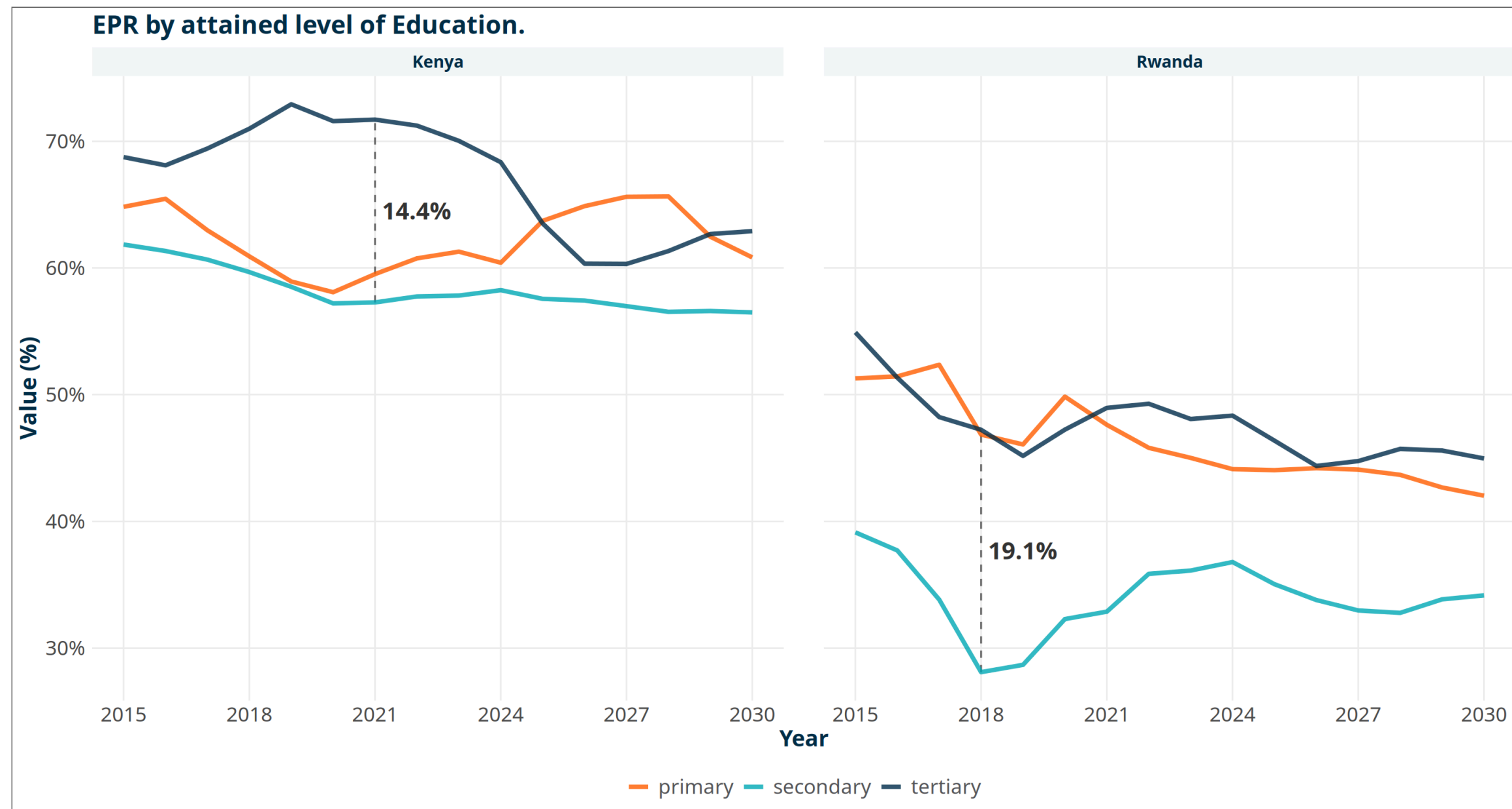
EPR by education

Figure 6: EPR by education. Not enough jobs for skilled workforce. Available jobs favour low skilled workers in Kenya from 2025. While skilled workers are still more employable in Rwanda, observed trend in Kenya is catching up. In both countries, having secondary education is associated with poor employability if you do not get to tertiary level.
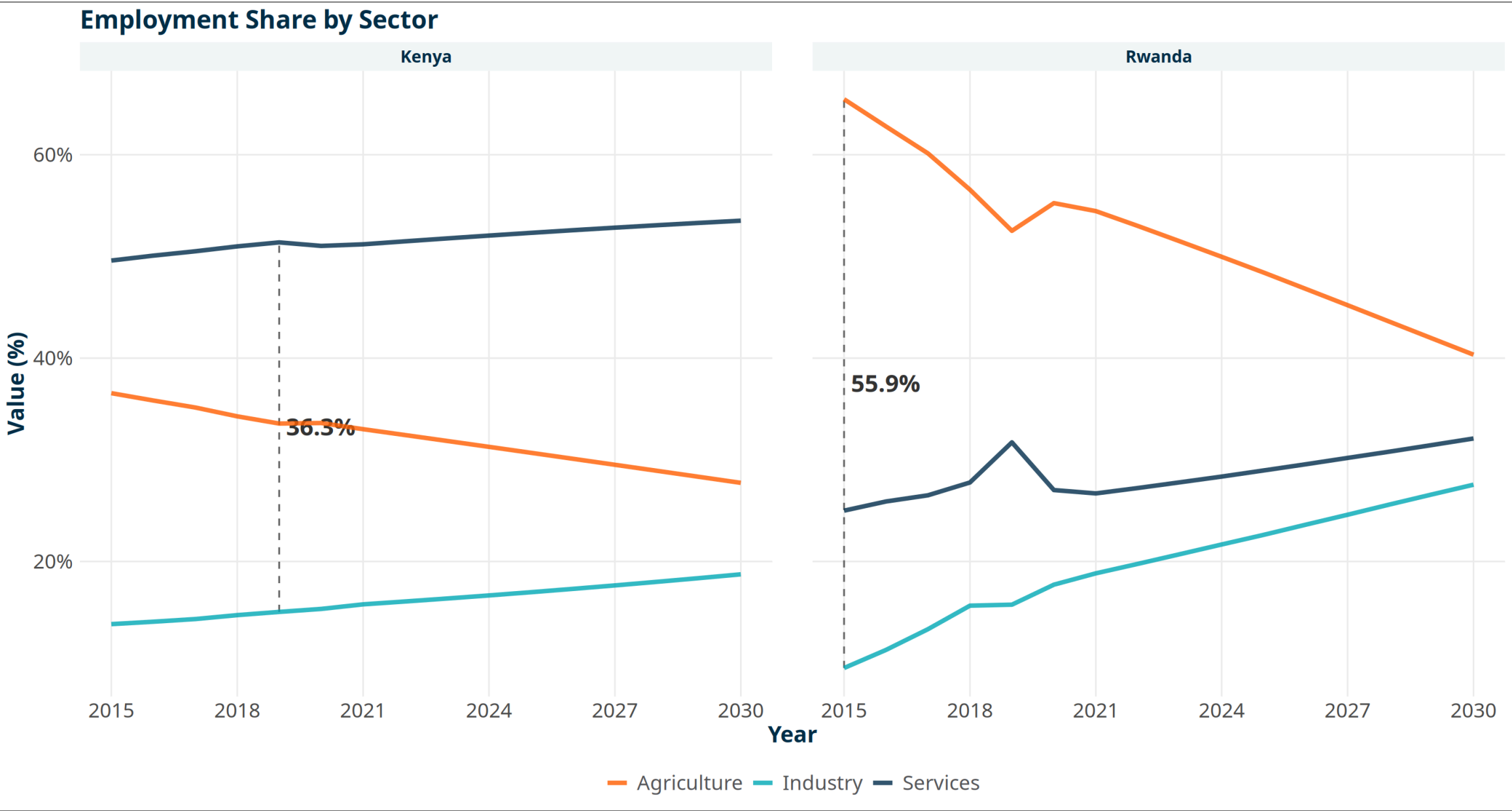
Employment share by economic sector

Figure 7: A shift from agricultural subsistence activities to low productivity service activities observed for Kenya.

References

1. Africa Youth Employment Clock — mastercardfdn.org. **https://mastercardfdn.org/en/what-we-do/our-programs/africa-youth-employment-clock/**;
2. ILO. Global employment trends for youth 2024: Decent work, brighter futures. International Labour Organization Geneva, Switzerland; 2024.
3. Kenya — mastercardfdn.org. **https://mastercardfdn.org/en/where-we-work/kenya/#:~:text={Y}oung%20{A}frica%20{W}orks%20in%20{K}enya,productivity%20jobs%20in%20vulnerable%20conditions.**;

Speaker notes

WORLD DATA LAB

mastercard foundation