

»» In dialogue with the private sector:
How does the market work and are jobs generated?

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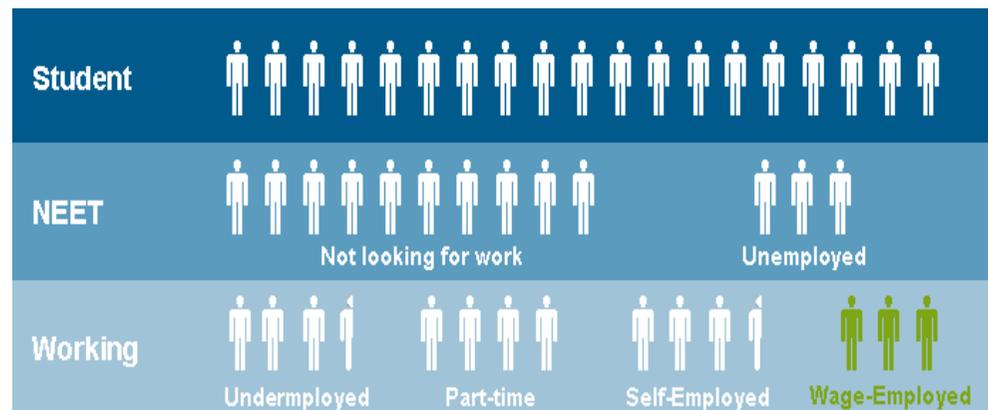
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»» More jobs are needed

- Sufficient number of jobs is key to demographic dividend
- Increase in jobs not keeping pace with growing number of young people
- 73 million young people (or 12.6%) look for work, 200 million young people are employed for less than 2 US dollars a day ('working poor')
- Young people 3 times more often hit by unemployment, informal employment or under-employment than adults
- Young women face highest barriers for accessing job markets

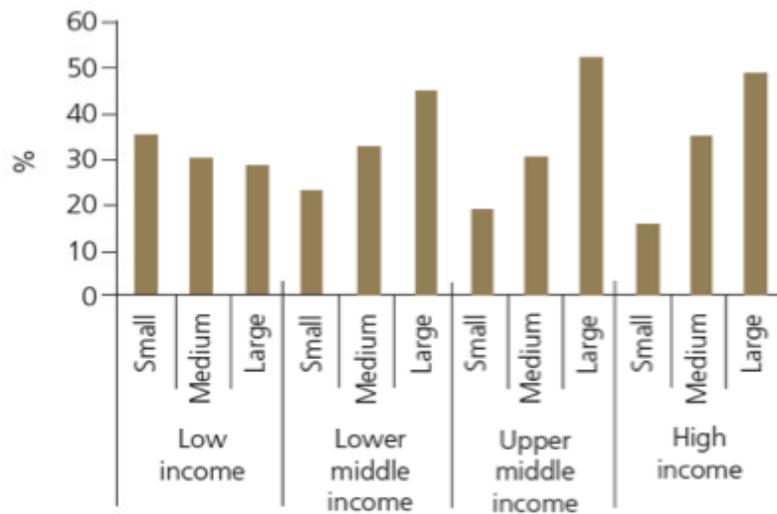
Example: Job market for African youth



Source: OECD

- Most young people between 15 and 25 are still students
- Small proportion actually counted as unemployed
- Only about 1 in 3 working at all
 - small proportion full-time wage-employed
 - vast majority involuntarily under-employed, voluntarily works part-time or self-employed

»» Private sector creates 90% of all jobs



Source: Worldbank

- › Low-income countries: small firms have largest share of employment
- › Higher income countries: large firms have most jobs
- › Small firms grow twice as fast as average firm, but are also more likely to go out of business
- › Larger firms tend to be more productive, invest more in training, offer higher wages, and often better working conditions.

Growth of small, medium and large firms is the key to large-scale job creation

››› Lack of finance, power supply and skills are key constraints to firm growth

Constraint	Firm size			Income level				All
	Small	Medium	Large	Low	Lower middle	Upper middle	High	
Access to finance	●	●	●	●	●	●	●	●
Power shortage	●	●	●	●	●			●
Lack of skills			●				●	
Informal competition	●	●			●	●		●
Tax rates				●		●	●	

● most severe
 ● second-most severe
 ● third-most severe

Source: Worldbank

- **Access to Finance** important for all firms, but particularly for micro, small and medium enterprises
- **Power supply** is the most important issue for companies in low-income countries
- **Lack of workers' skills and skills mismatch** constitute a key challenge for larger businesses and businesses in high-income countries

››› KfW contributes to enabling job creation

- KfW is development bank of the German Federal Government
- Goal: Promotion of economic and social progress in developing and transition countries
- Financing volume 2012: 4.9 billion EUR
- Sample Impacts for 2012:
 - **Access to finance** for over 6,7 million people
 - **Better Education** for over 4 million people
 - **Health** measures for birth control and HIV/AIDS-prevention for 50 million people



Example from KfW's work: Support to job creation in Ghana (in cooperation with GIZ)

- › Improve **Access to Finance** by supporting microfinance and branchless banking
- › Improve **Workers Skills** through Vouchers for Vocational Training
 - › Distribution of subsidized vouchers to workers of small and medium firms
 - › Private Sector Associations ensure certification of training institutes, match of curricula with private sector needs, monitoring of training outcomes



»»More Information

www.kfw-entwicklungsbank.de

Annual Report on Cooperation with Developing Countries: http://www.kfw-entwicklungsbank.de/ebank/DE_Home/I/Download_Center/Jahresberi.jsp

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Thank You for Your Attention!



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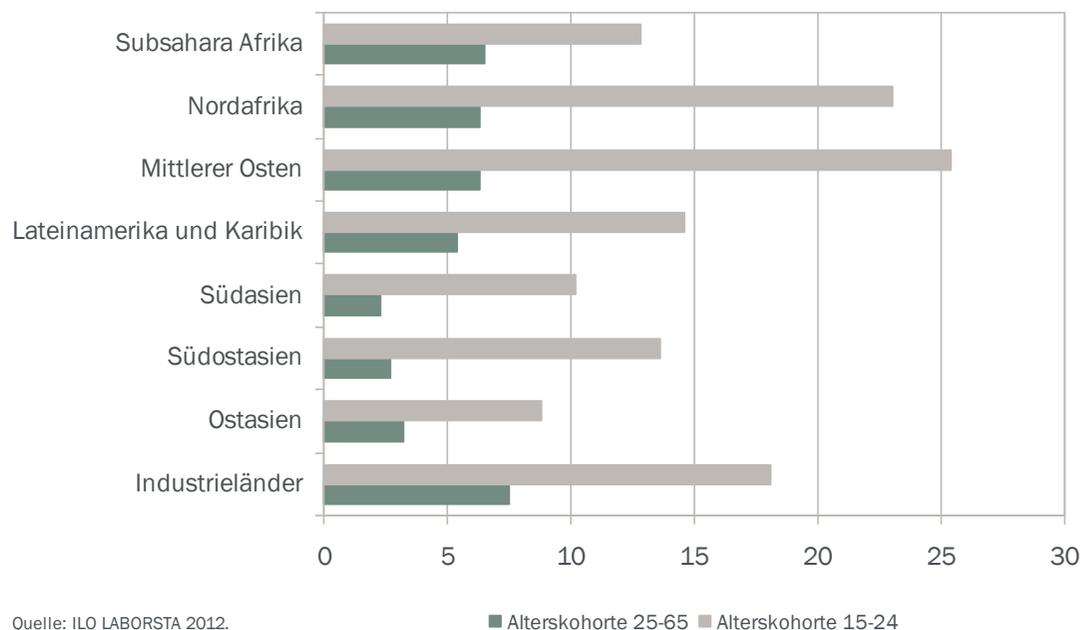
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Table 6.3. What do students study? University graduation rates in Africa and the world (2008-2010)

	Education, humanities and arts	Social sciences, business and law	Science	Engineering, manufacturing and construction	Agriculture	Health and welfare	Services	Other
Sub-Saharan Africa	26%	44%	12% (3% ICT)	4%	2%	5%	0%	7%
North Africa	22%	51%	8% (1% ICT)	10%	1%	6%	1%	1%
Asia	23%	30%	6%	20%	4%	9%	4%	4%
Latin America	23%	38%	7%	9%	2%	13%	3%	5%
OECD	25%	37%	10% (3% ICT)	11%	2%	11%	4%	1%

Source: AEO data, UNESCO.

Arbeitslosenquote nach Regionen und Alter



Quelle: ILO LABORSTA 2012.