

The GLOCEPS

Special Focus

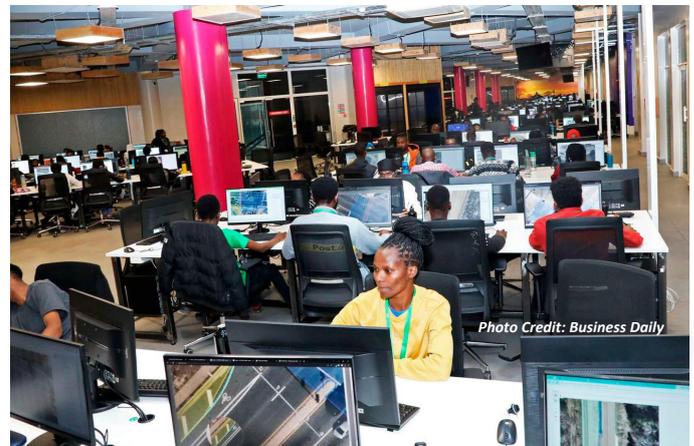
Research Focus: Governance and Ethics Pillar

Pivoting the Gen Z population for the Evolving Job Market

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Introduction

The entry of Generation Z (Gen Z) in the employment market marks a pivotal moment for East African economies. This demographic, born between 1997 and 2012, is set to redefine the future of work with its unique characteristics. They are the first generation that has grown entirely in the internet age. Their skills and capabilities present a significant conundrum to the East African space where the agricultural sector contributes around 25% of the gross domestic product (GDP). An in-depth analysis of the agricultural sector highlights structural challenges that prevent the full realization of the potential in the sector. For instance, most of the land and agricultural resources are in the hands of the elites and older generations rather than the youth. Likewise, government programs to address the dual challenge of youth bulge and unemployment fail to offer a lasting solution as they are temporary and low-wage in nature. The existing options have limited job creation opportunities or fall short of addressing structural issues faced by the young populations. They are equally an ill fit for the future trends in job creation and economic growth, which is increasingly knowledge-based and technology-dependent. It is imperative that public and private sector actors recognize the emerging shifts in the job market and position themselves accordingly. This highlights the urgent need to reorient and pivot the nation's emerging human resources to new job market realities in order to provide meaningful employment



and entrepreneurial opportunities for this tech-savvy generation. This brief explores how policymakers can strategically pivot to harness Gen Z's potential in the evolving job and entrepreneurial marketplace.

Gen Z and the current economic set-up

The East African job market, similar to the global marketplace, is witnessing the entry of Gen Z into the job market. This demographic, born between 1997 and 2012, represents a unique cohort. It has distinct characteristics and capabilities that are shaped by growing up in a digitally connected world. This is of particular interest to the East African context where the economies need to transform from predominantly agrarian societies to more diversified economies. To this extent, Gen Z's digital fluency and entrepreneurial spirit represent key assets to support and drive this transition. The generation's ability to leverage social media and digital platforms positions them to drive innovation and tap into new market opportunities, either locally



or globally.

It is imperative that private and public sector actors and policymakers adapt and support the upcoming generation. The entry of Gen Z in the marketplace marks a significant shift regarding economic development. Not only are they the precursors to working in the age of the internet, but they herald the age of artificial intelligence (AI) and virtual reality (VR) which will be further mainstreamed by Generation Alpha (born from 2013 to 2024).

Gen Z's digital nativity means they are more adept at using technology for communication, learning, and problem-solving than all the preceding generations. Importantly, the East Africa space is inadvertently yet increasingly investing in supportive systems and capabilities to advance this journey. Most economies in sub-Saharan Africa solely pursue digital investment to enhance their connectivity and commercial productivity in the global marketplace. For instance, mobile phone penetration is high, and internet connectivity is rapidly expanding to support government programs and business ventures like e-commerce, mobile telephony, and financial service provision. On the other hand, Gen Z is leveraging these resources to craft entirely new niches of economic activities like content creation. The younger generation is using these resources to augment their proficiency with digital tools, enabling them to access global information and opportunities, pursue digital jobs, and engage in online learning. Collectively, these will make them well-suited for emerging job sectors such as ICT, digital marketing, and app development. Likewise,



their familiarity with AI, machine learning, and data analytics enhances their employability in tech-driven industries.

Entrepreneurship is another attractive venture for Gen Z. 50% of Gen Z aspire to own their own businesses, reflecting a strong desire for autonomy and innovation. In East Africa, traditional employment opportunities are often stagnating with regard to creating adequate quantity and variety of opportunities. Thus, entrepreneurship driven by Gen Z in non-traditional areas presents a new frontier that can catalyze economic growth. Moreover, Gen Z's inclination towards social and environmental causes aligns with the growing market for sustainable and social businesses, offering new avenues for enterprise development.

However, realizing Gen Z's potential requires addressing several challenges. The education systems should evolve to emphasize digital literacy and entrepreneurial skills. Creating an enabling environment through policy reforms, targeted investments, and supportive ecosystems, will enable East Africa to harness the unique capabilities of Gen Z to drive the needed economic diversification and development.

Emerging Job Trends

Global job trends are shifting towards technology-driven and knowledge-based economies. This creates new opportunities that align with the skills and characteristics of Gen Z. As AI, machine learning, and data analytics are becoming integral parts of economic sectors and industries, East Africa should strategically position its Gen Z population to capitalize on these trends. This will require a proactive approach to policy reforms, post-school education, and infrastructural investments.

Harnessing Gen Z digital literacy and competence requires that policymakers prioritize integrating technological training into the education systems. Emphasizing science, technology, engineering, and mathematics (STEM) education and providing





access to coding boot camps, online courses, and digital literacy programs will aid young people with the skills needed in the emerging marketplace. Likewise, partnerships with tech companies can facilitate internships and apprenticeships, thus guiding students to gain practical experiences and industry exposure. This will be mutually beneficial to the mentees and mentors.

Entrepreneurship should equally be mainstreamed and integrated with digital literacy and competency programs. This is based on Gen Z's strong inclination to business ownership and innovation. Improving access to venture capital and finance can support young entrepreneurs in launching and up-scaling their startups. Encouraging sustainable and socially responsible enterprises aligns with global trends that drive inclusive growth. By aligning educational orientations towards STEMS, entrepreneurial

support, and infrastructural investments with global job trends, East Africa can effectively leverage the unique capabilities and potential of the youth.

Conclusion

The entry of Gen Z in the East African job market offers a pivotal opportunity to reshape and diversify the region's economic landscape. The tech-savvy and entrepreneurial generation possesses unique skills and characteristics that are better aligned with the global job trends of technology and knowledge-based economies, in comparison with the preceding generation. Thus, the private and public sector actors, including policymakers, should implement robust strategies that emphasize digital literacy, entrepreneurial support, and supportive infrastructural investments in the digital and technological space. By integrating technological training in the education curricula, fostering partnerships with the private tech sectors, and enhancing access to capital, the region can create an enabling environment for Gen Z to thrive. Likewise, improving digital infrastructure and promoting sustainable enterprises will further support the integration of Gen Z into the evolving job market. A concerted effort to address these areas will ensure that East Africa not only adapts to the changing economic landscape but leverage the capabilities of its youth to drive its development agenda.

