

Sub-Saharan Africa's Expanding Population Needs Jobs: Entrepreneurship holds the key

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Sub-Saharan Africa has exhibited an unprecedented demographic surge since the 1980s, claiming the mantle of the world's fastest-growing population region. According to the United Nations, this trend is set to persist as projections reveal that the Sub-Saharan African populace will nearly double between 2022 and 2050, reaching a staggering two billion inhabitants in the late 2040s. The [United Nations](#) foresees a persistent upsurge in the working-age demographic in the region, extending till 2050.

The [exponential increase in population](#) can intensify the complexities associated with achieving poverty eradication objectives, thus entrenching communities in a cycle of despair. As the population of Sub-Saharan African countries continues to experience a surge, it is imperative that governments in the region prioritize economic expansion and development to address the fundamental needs of citizens.

Yet, the region's economic growth has been exhibiting signs of deceleration. The Africa's Pulse report, published bi-annually by the Office of the Chief Economist in the World Bank Africa Region, reported a decline in the economic growth of sub-Saharan

Africa from 4.1% in 2021 to 3.3% in 2022. Moreover, the projected per capita income growth in the region, represented by a meagre [0.7% increase in 2022](#), is insufficient to meet the challenging goals of poverty alleviation and inclusive economic growth in the medium to long term.

Research confirms [entrepreneurship's crucial role](#) in economic growth. For instance, regional entrepreneurial activity played a pivotal role in driving the economic transformation of post-Soviet Russia (<https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1468-0084.2005.00108.x>). Indeed, entrepreneurship has been shown to exert a profound impact on the long-term prospects of [national economies](#), shaping their trajectories towards prosperity or stagnation.

Yet [some studies](#) find limited effects in developing regions. As scholars, we must dig deeper to understand this divergence. I have been studying entrepreneurial development and unemployment in the context of South Africa, and I find that early-stage entrepreneurial activity has a [direct impact on unemployment rates](#), contrary to established business ownership. This suggests that, consistent with [previous research](#), the prevalence of high unemployment may be linked to a lack of entrepreneurial opportunities, resulting in slower economic growth. Entrepreneurial ecosystems that are unfavorable impede the advancement of early-stage SMEs into fully established businesses capable of contributing to economic growth in a positive manner. Improving the entrepreneurial ecosystems in Sub-Saharan African countries is a critical imperative for generating the high economic growth needed to accommodate the population boom in the region.

Entrepreneurial Ecosystems

An entrepreneurial ecosystem is a complex set of [interdependent factors](#) that facilitate and support the creation, growth, and sustainability of new and existing businesses in a particular region. The Global Entrepreneurship Index (GEI) provides a useful framework for assessing the health of entrepreneurship ecosystems in 137 countries. While there are unique and varying factors that shape the entrepreneurial ecosystems in individual Sub-Saharan African countries, it is worth noting that the region as a whole fares poorly in comparison to other regions, as indicated by data from the [Global Entrepreneurship Index](#).

Entrepreneurs in Sub-Saharan Africa contend with a multitude of challenges that impede their success. Among the most significant difficulties are limited access to capital, deficient infrastructure, corruption and bureaucracy, and inadequate access to education and training. These challenges are interrelated and often reinforce each other, creating a formidable barrier to the growth and sustainability of entrepreneurial ventures. The limited availability of financing, coupled with inadequate infrastructure and bureaucratic impediments, stifles the ability of entrepreneurs to scale their operations and reach new markets.

Rays of Hope?

Rather impressively, several Sub-Saharan African countries, including Ghana, South Africa, and Rwanda, have shown promising signs of successful entrepreneurship development initiatives. Ghana's government has launched a number of initiatives and programs through its agencies, such as the [Ghana Enterprises Agency](#), to drill entrepreneurship into the youth. The government of South Africa established the [Small Enterprise Development Agency](#) to assist SMEs and promote entrepreneurship. In Rwanda, the government has streamlined the process for registering a business, making it easier for entrepreneurs to start a business. Rwanda's efforts to foster entrepreneurship have paid off, as indicated by the country's rating in the World Bank's "Doing Business" report. Rwanda is ranked 38th out of 190 countries in the study as of 2021, a substantial gain from its placement of 143rd in 2010.

Conclusion and Recommendations

Sub-Saharan Africa's rapidly growing youth population presents a valuable economic opportunity. However, this potential is constrained by limited resources, weak infrastructure, corruption, and bureaucratic hurdles. To harness the promise of entrepreneurship for development, coordinated efforts by multiple stakeholders are imperative.

Governments must prioritize investments in an enabling environment for startups to thrive. Researchers across disciplines should collaborate to uncover context-specific challenges and solutions through surveys, longitudinal tracking, sectoral analysis, and direct engagement. Entrepreneurship scholars can strengthen entrepreneurial training while engineers advise on infrastructure needs. Design scientists can reimagine business processes and products for the region.

Advancing entrepreneurship research in Sub-Saharan Africa also requires expanding diversity and inclusion. Supporting African scholars, particularly women, to lead local studies will bring critical insights. Building university centers focused on entrepreneurship will sustain scholarly engagement over the long term. With expansive collaboration, research can illuminate pathways for entrepreneurs across the region to translate dynamism into inclusive growth and prosperity. But progress will require overcoming systemic barriers currently inhibiting startup viability and maturation. This demands creativity, commitment, and coordination among stakeholders united by the urgency of youth economic empowerment.

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