SIEMENS | Stiftung



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Carola Schwank Siemens Stiftung Phone: +49 / 91 31 / 9 20 79-10 carola.schwank@siemens-stiftung.org According to a new Siemens Stiftung study, social enterprises are expected to create much needed jobs in Africa

The comprehensive analysis in 12 selected African countries estimates that, by 2030, 1 million new jobs can be created by local social enterprises (SEs). In addition, recommendations are outlined on how to support SEs in leveraging their job creation potential.

The population in Africa is growing rapidly and is expected to double by 2050. With that, there is an enormous need to create more jobs. Comprehensive interventions to support impact-oriented start-ups and SEs in creating decent jobs are much needed. Today, Siemens Stiftung released the comprehensive study "Social Enterprises as Job Creators in Africa – The Potential of Social Enterprise to Provide Employment Opportunities in 12 African Countries 2020-2030". The three-part report approaches the task of identifying job creating, as well as job inhibiting, factors for SEs working in different country contexts. It also looks at demographic perspectives related to the African job market and quantified SEs' job creation potential for each country.

The study estimates that SEs can, within the 12 countries, provide 1 million additional jobs in the next decade, from 4.32 million jobs in 2020 to 5.33 million jobs in 2030. The results are used to recommend a set of interventions that would support SEs in significantly increasing the number and quality of jobs created.

Job creation is part of SEs' impact approach

Overall, SEs focus on social effects through their products and services but also through the jobs and income opportunities they provide to marginalized groups. And while SEs are gaining more attention internationally for their impactful work, it is important to assist them as they operate in fragile environments. They are often young social start-ups that lack specific support on organizational development, business modeling, and access to appropriate finance. Analytic work for this study began in early 2020 and, since then, the COVID-19 situation and subsequent economic fallout has put additional strain on the sector and job security.

Baseline data are the starting point of a process

This report is step one in a multi-stakeholder journey that seeks to support SEs in creating significantly more and better jobs in Africa. Therefore, as a next step, results from this study will be disseminated, with a clear call-to-action, amongst the international development community. Time is of the essence – operative projects that implement recommendations found within this study should be designed and implemented as quickly as possible. The suggested interventions focus on financial and technical support as well as on improving enabling environments and moderate data availability.

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Siemens Stiftung is convinced of the concept of social entrepreneurship and the roles that impact-driven entrepreneurs play in improving living conditions, and providing income opportunities for underprivileged people.

"At Siemens Stiftung, we want to provide a supportive ecosystem for social entrepreneurs," said Rolf Huber, Managing Director at Siemens Stiftung. "We see that social enterprises around the world have tremendous impacts on the communities in which they operate, and with this study having a focus on African countries, we hope to see positive change in the region."

This study has been conducted and published by Siemens Stiftung. It was funded by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH as part of the Special Initiative on Training and Job Creation of the German Federal Ministry for Economic Cooperation and Development (BMZ). Aiming at providing work and prospects in Africa, especially for young people, the Special Initiative supports German, European and African companies in investment activities that have a high impact on employment in its partner countries.

"We welcome the results of this study, which highlights the potential that social enterprises have for job creation in Africa", commented Thomas Rolf, Head of the GIZ Global Programme on Training and Job Creation. "The report offers valuable insights on how social enterprises can best be supported to overcome obstacles in their day-to-day work and will hence help us in better achieving our job creation goals".

Read and/or download the whole three-part study here: <u>https://www.siemens-stiftung.org/en/media/publications/projects/studies-jobs-in-africa</u>

You can find more detailed information on the methodology and recommendations here: <u>https://www.siemens-stiftung.org/informationsheet-studyjobsinafrica-siemensstiftung/</u>

About Siemens Stiftung

As a nonprofit foundation, we promote sustainable social development, which is crucially dependent on access to basic services, high-quality education, and an understanding of culture. To this effect, our project work supports people in taking the initiative to responsibly address current challenges. Together with partners, we develop and implement solutions and programs to support this effort, with technological and social innovation playing a central role. Our actions are impact-oriented and conducted in a transparent manner. www.siemens-stiftung.org/en/

About the Special Initiative on Training and Job Creation

Under the Invest for Jobs brand, the German Federal Ministry for Economic Cooperation and Development (BMZ) has put together a package of measures to support German, European and African companies in investment activities that have a high impact on employment in Africa. The Special Initiative on Training and Job Creation – the official title – offers comprehensive advice, contacts and financial support to overcome investment barriers. The objective is to create good jobs and apprenticeships and to improve working conditions in the following African partner countries: Côte d'Ivoire, Egypt (in preparation), Ethiopia, Ghana, Morocco, Rwanda, Senegal and Tunisia. For more information please visit:

www.invest-for-jobs.com/en/

About the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is a federal enterprise with worldwide operations. We support the German Government in the field of international cooperation for sustainable development. We are also engaged in international education activities around the globe. Through our work we assist people and societies in shaping their own future and improving living conditions. https://www.giz.de/en/

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