

# The AfCFTA: A Short End of the Stick or a Golden Opportunity for Youths?

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## Abstract

The paper examines if the African Continental Free Trade Area presents a rewarding opportunity for youths and women across Africa or if it is an inferior part and worse side of an unequal deal. The paper revisits the general objectives of the African Continental Free Trade Area and assess how each of the eight objectives are either beneficial or detrimental to youths and women. Thus, the paper is divided into four subsections which outline the objectives of the African Continental Free Trade Area, define who the youths are, evaluate the challenges and opportunities of the African Continental Free Trade Area towards the youth, and conclusion.

**Keywords:** AfCFTA • Youth • Women • Peace • Security

## Introduction

The promise of the African Continental Free Trade Area (AfCFTA) – adopted on 21 March 2018 in Kigali, Rwanda – and eventuated on the inception of the year 2021 ropes in elements of the African Union (AU) flagship Agenda 2063: The Africa We Want. Nonetheless, how does the promise, recently operationalized to become a reality, transmute into gains for youths? To answer this question, this paper will discuss how the AfCFTA can benefit youths. However, before going forward, it is essential to look back and explicate the general objectives of the AfCFTA and clarify the meaning of the noun 'youth'. Thus, the paper is divided into four subsections which outline the objectives of the AfCFTA, define who the young Africans are, evaluate the challenges and opportunities of the AfCFTA towards the youth, and concludes the paper.

## What are the General Objectives of the AfCFTA?

It is of prime importance to list the general objectives of the AfCFTA herein because, in the subsequent subsections, each objective shall be appraised to see how it assist and benefit young Africans. The general objectives of the AfCFTA are underscored in Article 3 of the Agreement establishing the AfCFTA, and they are as follows (AU, 2018, §3 (a-h)):

- a) Create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent and in accordance with the Pan African Vision of "An integrated, prosperous and peaceful Africa" enshrined in Agenda 2063.

- b) Create a liberalised market for goods and services through successive rounds of negotiations.
- c) Contribute to the movement of capital and natural persons and facilitate investments building on the initiatives and developments in the State Parties and RECs.
- d) Lay the foundation for the establishment of a Continental Customs Union at a later stage.
- e) Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties.
- f) Enhance the competitiveness of the economies of State Parties within the continent and the global market.
- g) Promote industrial development through diversification and regional value chain development, agricultural development and food security; and
- h) Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.

## Who are the Youths?

The noun 'youth' might seem straightforward, but it is indeterminate. It is used to refer to different age groups by different organisations. For instance, a paragon of this dissimilarity is noticeable within the United Nations (UN) and its various institutions. The UN defines youth – which is interchangeably used as young Africans in this article – as 'persons between the ages of 15 and 24 years [1] yet some of its institutions like the UN-Habitat defines youth as persons between the age of fifteen to thirty-two years. However, it does so 'with the understanding that member states and other entities use different definitions [2]. Nevertheless, considering that the AfCFTA is a brainchild of the AU, the article will therefore define youths according to the specifications of the Union so as to provide context. According to the African Youth Charter of 2006, 'youth or young people shall refer to every person between the ages of 15 and 35 years [3] the article, therefore, adopts the AU definition.

## Worse Side of an Unequal Deal or a Window of Opportunity?

To appreciate what the youths stand to benefit from the implementation of

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the AfCFTA, it is essential to grasp the rationale behind the anticipation. The question of *what is in it for youths* is an expectation of benefits. These benefits are materialised through a set of structured advantages. These structured advantages, albeit not explicitly stated, are embedded within the general and specific objectives of the AfCFTA. However, the implementation of the AfCFTA alone, with particular reference to Informal Cross Border Trade (ICBT), is not enough to appraise it as a window of opportunity for the youths. For it to benefit the youths, the ICBT in particular and the AfCFTA, in general, must be operationally ingrained to promoting the participation of youths. Such practical progress can turn rhetoric into intelligible and tangible opportunities.

African youths have been described as either an imminent ticking time bomb with social cohesion, peace and security repercussion or an opportunity because of the high unemployment rates across the continent [4]. The current employment-population ratio shows that three in every five African youths are unemployed, [5] yet the term youth is mentioned only once in Article 27 (2(d)) of the agreement establishing the AfCFTA [6]. One must bear in mind that young people, from 0 to 35 years of age, make up seventy-five per cent of the continent's total population [7]. In fact, Africa has the youngest people in the world [8]. Taking into account the demographic statistics and how the entire AfCFTA agreement has but mentioned the youths only once, a cogent alternate perspective of how African youths are positioned at the periphery of an unequal deal emerges.

Equally important, on the other hand, the status quo can transpose the negative narrative of the AfCFTA and position it as a champion of youth inclusion. Considering that Africa's young persons have a 60 per cent unemployment rate [9] a single market for goods and services will open formal and informal lines of employment. Phiri-Hurunguro posits that the young persons of Africa are 'disproportionately affected by high unemployment, low-quality jobs, labour market inequalities and barriers to cross-border trade [10]. Thus, through the AfCFTA and ICBT, African youths can be presented with an avenue for employment, economic inclusion and other opportunities. For instance, facilitating the movement of young persons will broaden the horizon for conducting business and expose the young persons to more economic opportunities which are not limited to their national geography. In addition, the exposure transcends the more obvious benefits of economic opportunities. It becomes an experience that benefits young people professionally and socially through socio-economic integration and networking inspired by the necessity to confront livelihood challenges outside the usual socio-economic context, support network and comfort zone. Consequently, what starts as a continental free trade framework can mature to become a solidarity instrument to realise the Pan African aspirations of a united, peaceful and prosperous Africa.

Creating a liberalised market for goods and services through successive rounds of negotiations is an acceptable paradigm shift. The previous and contemporary developmental path taken by most – if not all – of the African countries prioritise Foreign Direct Investment (FDI). However, the FDI must be understood for what it is, and that is a paradox of development and unemployment. Empirical findings by several developmental practitioners such as Anyanwu [11] presents a rather gloomy picture, one that contradicts the widely accepted narratives. Anyanwu illuminates that the popular opinion of how FDI enhances youth employments cannot be further from the truth. It does the opposite of what it is expected to since the investment is injected into the enclave and capital-intensive sectors such as mining which naturally exclude young persons from participating due to reasons like insufficient working experience.

However, the AfCFTA presents a viable alternative to the most disadvantaged groups, such as the youths and women. Through the AfCFTA, a liberalised market for goods and services is expected to increase the net real income by between US\$2.8 to US\$100 billion [12]. Thus, the African youths will experience better labour markets and value-added trade. African countries experience 'structural changes' which are 'often accompanied by economic growth and better employment opportunity' [13]. When young people move from low productivity to high productivity sectors. Therefore, practical progress of operationalising the AfCFTA while embedding the inclusion and participation of youths in the trade agreement is a golden opportunity for the latter.

The third objective of the AfCFTA nurtures intra-African trade through the 'movement of capital and natural persons and facilitate investments building on the initiatives and developments in the State Parties and (Regional Economic Communities) RECs' [14]. The stimulation of intra-African trade has the potential to promote the meaningful participation of youths and place them at the forefront of small and medium-sized enterprises. Also, the flow of capital has the potential to expose youths striving for investments in their businesses. Therefore, the AfCFTA has the potential to support the business and entrepreneurship prospects of young Africans.

The AfCFTA seeks to 'promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties.' To understand how this objective will benefit young Africans, it is of prime significance to critically inspect the characteristics of this subset. Within the demographics of young Africans are men and women. Their benefits from the AfCFTA can be different. For instance, in the case of Senegal, Diatta [15] outlines how 13.3 per cent of women are affected by unemployment compared to 7.7 per cent of men. Also, 68.7% of business ownership is by men as compared to 31.3 per cent of women. To make matters worse, this disparity is transpiring in a country with women making up most of the population [16]. The case of Senegal is but the tip of an iceberg. It explains the feminisation of poverty as a dimension of Africa's poor people. Therefore, the AfCFTA has the potential to redress the gender imbalances, catalyse livelihoods and end the cycles of chronic and transient poverty and exclusion. Therefore, the emphasised inclusivity must encompass youths in general and also women in particular.

A study by the ILO posits that the vast majority of African youths aged between fifteen to twenty-four years are irregularly employed, have little or no education, live in rural areas, and are mostly involved in subsistence farming. Nevertheless, the internet is filled with the story of Tamara Kaunda, a young female Zambian medical doctor who made a dramatic career change from being a doctor to a farmer. The goal of the AfCFTA, which is to 'promote industrial development through diversification and regional value chain development, agricultural development and food security, can multiply narratives of diversity and agricultural development cases like these – among the youth – and illuminate on the rationality of embracing small scale farming as key to economic success.

The AfCFTA seeks to 'enhance the competitiveness of the economies of State Parties within the continent and the global market'. While this is not directly linked to young people, trickle-down economics postulate that when capital accumulation is sufficiently high, it will trickle down to everyone else. This is also in line with the Kuznets curve, which underscores that as the economy develops, economic inequality will decrease. The ascendancy of the AfCFTA will foster enabling environments.

## Conclusion

The AfCFTA presents an opportunity to redefine the 'youth are the future' adage. The opportunity can be made possible and harnessed through inclusive policies embedded in the operational philosophy of the trade agreement. As a trade framework, the AfCFTA can revolutionise the socio-economic positions of youths in Africa. It presents opportunities that can, directly and indirectly, add to the fortunes of young Africans. However, an opportunity is one as long as it is utilised. The promise of the AfCFTA can be futile if stipulated agreements are not followed by the political will of Member States and the formulation and implementation of comprehensive policies that specifically target women and youths.

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