Political Economy Analysis of Youth Employment in Senegal

Evidence, insights, and pathways to unlock dignified and fulfilling work opportunities for Senegal's young people



Photo: Iwaria

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WHY THE STUDY?

Senegal faces severe demographic pressure, with approximately 400,000 young entrants arriving into the labor market each year. This expansion presents a major strategic opportunity under Vision Senegal 2050, but macroeconomic and institutional structures currently fail to generate adequate formal labor demand. Consequently, the informal economy acts as a default absorption mechanism for surplus labor. Interventions are hindered by institutional fragmentation, political incentives that favor short-term visibility over structural reform, and deep regional/gender inequalities. This study was conducted to examine the structural and political drivers of youth employment and propose long-term policy solutions.

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WHAT WE DID

- **Desk Review:** Review of Vision Senegal 2050, national employment policies, macroeconomic frameworks, and sectoral strategies.
- **Secondary Quantitative Analysis:** Empirical assessment of national labor statistics to model growth employment intensity, NEET vulnerability, and informality rates.
- **Political Economy Analysis (PEA) Framework:** Evaluated structural causal chains, institutional incentives, political cycles, and policy implementation gaps.
- **Primary Fieldwork:** 50 Key Informant Interviews (KIIs) and 6 Focus Group Discussions (FGDs) transcribed and systematically coded using Dedoose software.
- **Stakeholder Groups Consulted:** Senior policymakers, private sector bodies, civil society organisations, development partners, and youth representatives.
- **Triangulated Thematic Analysis:** Triangulated primary perceptions with quantitative labor market data to control for qualitative bias.
- **Dedicated Sector & Migration Tracking:** Examined private sector constraints, SME financing barriers, and drivers of youth irregular migration.

WHAT WE FOUND

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- **Weak Employment Intensity of Growth:** Economic growth has failed to create formal jobs at scale due to limited industrialisation and underinvestment in high-multiplier sectors.
- **Supply-Side Misalignment:** Training programs remain detached from private sector requirements, focusing on supply-side skills while ignoring labor demand constraints.
- **Political Cycles and Policy Discontinuity:** Changes in political leadership trigger frequent institutional restructuring, abandoning effective initiatives in favor of short-term, high-visibility projects.
- **Institutional Fragmentation:** Lack of an effective inter-ministerial coordinating body leads to duplicated mandates, inconsistent monitoring, and siloed funding.
- **Exclusion and Geographic Inequality:** Rural youth, young women, and persons with disabilities face systemic exclusion from financial services, market information, and state support.
- **NEET Risks and Migration Pressures:** Prolonged labor market exclusion causes high NEET rates, driving irregular migration as a primary survival response.
- **Private Sector Growth Bottlenecks:** Complex administrative processes, tax unpredictability, and severe credit constraints inhibit youth SME expansion.
- **Political Economy of Implementation:** Access to youth employment schemes is frequently influenced by political patronage networks.

A CALL TO ACTION

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1. **Macro Alignment:** Embed youth-job targets directly into Vision Senegal 2050 and public investments.
2. **Demand Stimulation:** Shift focus from supply-side training to building labor-intensive value chains.
3. **Private Sector Support:** Lower firm compliance costs, expand SME finance, and guarantee regulatory stability.
4. **Skills Reform:** Scale dual apprenticeships and update TVET/university curricula with private sector input.
5. **Hiring Incentives:** Offer tax/social security relief and wage subsidies to spur formal youth hiring.
6. **Policy Coherence:** Create an inter-ministerial body to align macro, education, and labor policies.
7. **Institutional Continuity:** Protect core youth programs by law so they survive political transitions.
8. **M&E & LMIS:** Build a digital labor market system and enforce independent policy audits.
9. **Inclusion & Equity:** Embed gender, disability, and regional equity safeguards across all initiatives.
10. **Youth & Mobility:** Institutionalise youth participation and build local pathways to curb irregular migration.

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