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Issue paper

On

Unlocking the potential of young people in West Africa: pathways to
employment, economic transformation and resilience

1. Background

West Africa is expected to maintain relatively robust economic growth in the medium run, with GDP growth projected to rise from 4.6 percent in 2024 to 4.7 percent in 2027¹. Such a pace would place West Africa among Africa's fastest-growing sub-regions, alongside East Africa. However, this growth is also marked by persistent high inflation estimated at 17.7 % in 2025, the highest inflation rates across the continent. Meanwhile, a positive outlook of 12.3 is expected for 2026, reflecting an ease of price pressures. The fiscal deficit remain broadly stable, estimated at 2.6 per cent of GDP in 2025. However, vulnerabilities persist at elevated levels, reflecting significant disparities across countries. Although the regional debt-to-GDP ratio remains moderate at an estimated 49.7 per cent, debt burdens are significantly higher in these countries, reducing their fiscal space to respond to external shocks. As of March 2026, 5 out of 15 West African countries were at high risk of debt distress².

West African countries are making progress in 12 of the 17 Sustainable Development Goals, specifically Goals 1 (no poverty), 2 (zero hunger), 3 (good health and well-being), 4 (quality education), 5 (gender equality), 6 (clean water and sanitation), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 10 (reduced inequalities), 14 (life below water) and 17 (partnerships for the Goals). However, the pace of progress is not sufficient to achieve the Goals by 2030.

Additionally, the subregion is facing structural development challenges. In 2026, only 4 West African countries recorded GDP per capita, current prices, above the average of \$2,000, while regional average in North Africa regional and Southeast Asia were than double, at \$4,880 and \$6,440.³ This raises an important and urgent question about whether this growth is inclusive, and its benefits fairly spreads into people. Furthermore, recent shocks put under pressure the trajectory

¹ International Monetary Fund, *Regional Economic Outlook: Sub-Saharan Africa—Hard-Won Gains Under Pressure* (Washington, D.C., April 2026). Available at <https://www.imf.org/-/media/files/publications/reo/afr/2026/april/english/text.pdf> (accessed on July 23, 2026).

² International Monetary Fund, "List of LIC DSAs for PRGT-Eligible Countries," as of 31 March 2026. Available at <https://www.imf.org/external/pubs/ft/dsa/dsalist.pdf> (accessed on 25 July 2026).

³ International Monetary Fund, *World Economic Outlook Database, April 2026: GDP per Capita, Current Prices* (Washington, D.C.: International Monetary Fund, 2026). Available at <https://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOWORLD/LUX> (accessed on 25 July 2026).

of regional economic growth and threaten to reverse the hard-won gains. ECOWAS experienced a contraction of its GDP rate in 2020, reaching -4.4%, mainly attributable to the COVID 19 pandemic. The subregion's growth rate also subsequently slowed in 2023, with high inflation rate, and 2026⁴, reflecting the impact of the Russia-Ukraine war and the uncertainty arising from the ongoing turbulence in the Middle East. In this regard, it is crucial to address the critical issue of resilience to external shocks. More broadly, it is important to assess and discuss the capacity of West African countries to hold up against both domestic challenges and external shocks, thereby ensuring accelerated sustainable development.

In this regard, the region has the potential to leverage its defining characteristic of having a large youthful population and the associated potential demographic dividend. On average, individuals under 25 years of age account for 60.9% of the sub-region's population in 2026. This share varies significantly across countries, ranging from 41.42% in Cabo Verde to 66.59% in Niger in 2026⁵. This demographic profile presents a unique opportunity to accelerate economic growth through the demographic dividend. Realizing this potential requires sustained investment in high-quality education, healthcare, skills development and productive employment to absorb the growing labour force.

Against this multifaced and evolving context, the region is facing overlapping crises: geopolitical tensions affecting global energy and food markets, persistent insecurity in the Sahel, climate shocks, tightening fiscal space and debt challenges. These dynamics underscore the importance of strengthening economic, fiscal, and institutional resilience while integrating the humanitarian–development–peace (HDP) nexus into policy responses.

2. Main issues

2.1 Population and employment trends in West Africa

West Africa, with an estimated population of 446 million in 2023, accounts for nearly 30 per cent of Africa's population. The sub-region is one of the youngest globally, with a median age of 17.8

⁴ IMF, Regional economic outlook Sub-Saharan Africa, Hard-won gains under pressure, April 2026

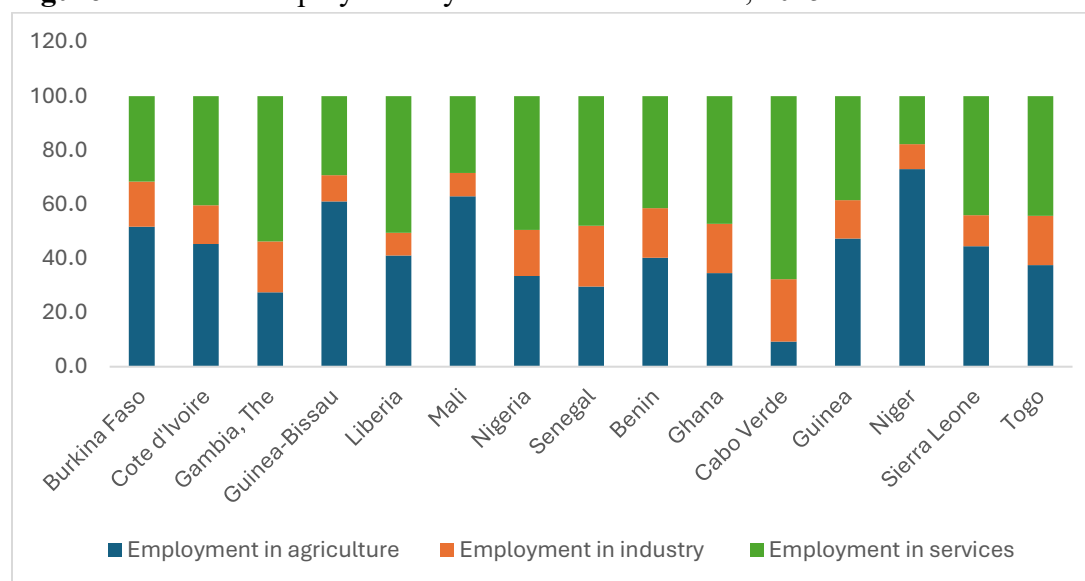
⁵ ECA based on United Nations, "Special Aggregates: select age groups", World Population Prospects, 2024 database. Available at <https://population.un.org/wpp/downloads?folder=Special%20Aggregates&group=Economic%20and%20trading%20groups>.

years. West Africa is experiencing rapid population growth at a rate of 2.28 per cent annually, combined with a high fertility rate of 4.44 children per woman. Life expectancy remains low at 58.3 years, while infant mortality (60.3 per 1,000 births) and under-five mortality (90 per 1,000) are among the highest in Africa. These trends reflect both the scale of the youth population and the persistent gaps in human capital development.

Combined with rapid urbanization, this rapid population growth is increasing local demand for processed agricultural products and services, among others. This further suggests the need to harness the demographic dividend through massive investments in education, the health sector and in productive sectors to create jobs for the youth bulge.

Across West Africa, employment structures remain heavily skewed toward low-productivity sectors, reflecting an incomplete process of structural transformation. As shown in figure 1, on average, agriculture still absorbs a substantial share of the labor force, exceeding 50 per cent in countries such as Niger (73.0 per cent), Mali (63.0 per cent), and Guinea-Bissau (61.1 per cent), while it remains significant even in relatively diversified economies such as Côte d'Ivoire (45.4 per cent) and Benin (40.2 per cent). By contrast, industrial employment is consistently low across the region, generally below 20 per cent, with only a few countries, such as Senegal (22.5 per cent) and Cabo Verde (23.1 per cent), showing modestly higher shares. Services account for a growing but heterogeneous portion of employment, ranging from 17.7 per cent in Niger to 67.7 per cent in Cabo Verde, and approaching half of total employment in Nigeria (49.5 per cent), Ghana (47.2 per cent), and Senegal (47.9 per cent). This pattern suggests that, while some labor reallocation away from agriculture is underway, much of it is directed into informal and low-productivity service activities rather than into higher-productivity industrial sectors, strengthening agro-processing, expanding industrial capabilities, and upgrading the quality-of-service sector jobs.

Figure 1: Share of employment by Sector in West Africa, 2025



Source: World Bank World development indicators database. Available at <https://databank.worldbank.org/source/world-development-indicators> (accessed on 25 May 2026).

West Africa has relatively stable labour market conditions with an estimated average unemployment rate of at 2.9 per cent in 2026⁶. However, significant country-level disparities persist. Most countries cluster between 2 and 3.5 per cent, including Nigeria (3.06%), Ghana (2.98%), Senegal (2.74%), and Côte d'Ivoire (2.32%), suggesting broadly similar labor market structures. Some countries show higher unemployment levels, like The Gambia 6.52% and Guinea, 5.16%, which point to bigger labor market pressures. At the same time, very low unemployment rates are reported in countries such as Niger 0.39% and Benin 1.59%, which may reflect a larger informal sector. Cabo Verde, with unemployment at 11.94%, stands as an outlier, with a significantly higher unemployment rate in the sub-region. Furthermore, the overall unemployment rate masks significant structural labour-market challenges. Informal employment is the dominant source of livelihoods, accounting for approximately 91 per cent of total employment in West Africa in 2026, which is higher than the estimated 84.3 per cent for Africa and 57.9 per cent for

⁶ International Labour Organization, “Unemployment rate by sex and age- ILO modelled estimates, Nov. 2025 (%) - Annual”, International Labour Organization Statistical database. Available at: https://rshiny.ilo.org/dataexplorer52/?lang=en&segment=indicator&id=UNE_2EAP_SEX_AGE_RT_A&channel=ilostat (accessed on 17 July 2026).

the world in 2026.⁷ Additionally, labor markets across West Africa signals major knock-on effects for inclusive growth and youth employment policies.

Youth employment-to-population ratios in West Africa also indicate moderate but highly uneven labor market engagement, with a regional average of roughly 42 per cent, reflecting both demographic pressures and structural constraints to job creation in 2025⁸. Significant variation exists across countries: very high ratios in Niger (70.4%) and Nigeria (61.3%), as well as relatively strong levels in Liberia (54.0%), Mali (50.7%), and Benin (51.0%), suggest widespread youth participation, often in low-productivity informal or agricultural activities rather than formal employment. In contrast, lower ratios in countries such as Cabo Verde (22.0%), Guinea (24.1%), Togo (23.7%), and The Gambia (27.4%) point to more limited job absorption or higher youth inactivity. Mid-range performers such as Côte d'Ivoire (35.1%) and Senegal (30.4%) highlight transitional labor markets.

2.2 Economic transformation and resilience in West Africa

Inclusive and sustainable industrialization is recognized as a primary source of economic diversification, income generation, job creation, and decent living standards for all people in line with the Agenda 2030 for Sustainable Development Goals (SDGs) and the African Union Agenda 2063.

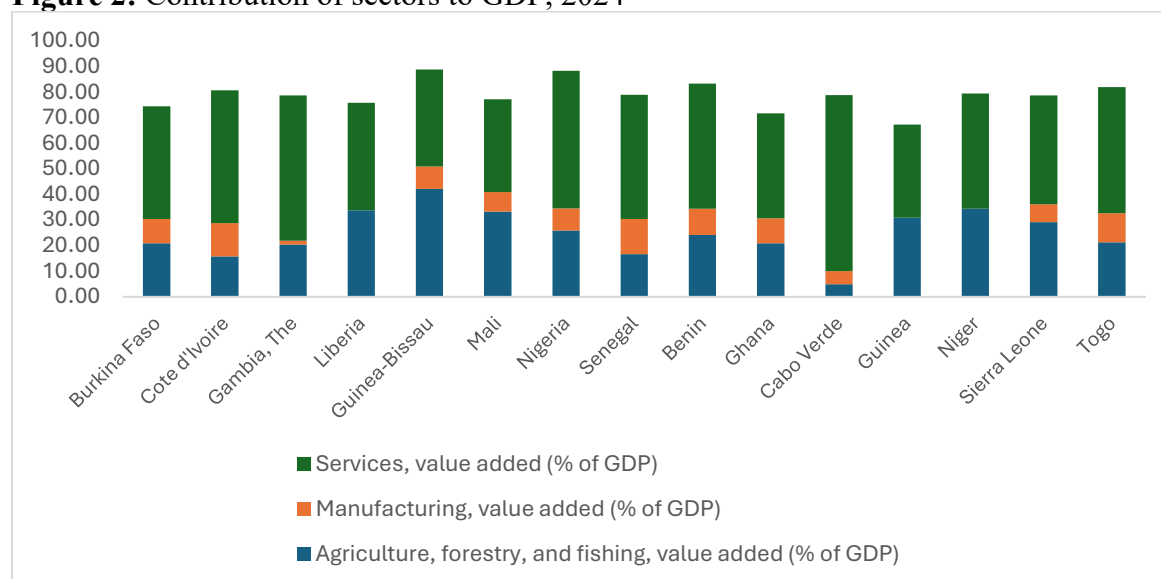
Across West Africa, the sectoral composition of economies in 2024 reflects limited but uneven structural transformation, with services generally dominant (around 45–55% of GDP), agriculture still significant (20–35%), and manufacturing relatively low (mostly below 15%), highlighting ongoing diversification challenges. Some countries, such as Côte d'Ivoire (services 51.9%, manufacturing 12.9%, agriculture 15.9%) and Nigeria (services 53.7%, agriculture 25.9%, manufacturing 8.7%), have relatively more diversified economies as compared to other West

⁷ International Labour Organization, “Informal employment rate by sex -- ILO modelled estimates, Nov. 2025 (%) -- Annual”, International Labour Organization Statistical database. Available at https://rshiny.ilo.org/dataexplorer09/?lang=en&segment=indicator&id=EMP_2IFL_SEX_RT_A&channel=ilostat (accessed on 17 July 2026).

⁸ World Bank World development indicators database. Available at <https://databank.worldbank.org/source/world-development-indicators> (accessed on 25 May 2026)

African countries (see figure 2). Meanwhile, some other countries, such as Guinea-Bissau (42.2%), Mali (33.3%), and Niger (34.5%), remain highly dependent on agriculture. On the manufacturing side, the data shows weak performance across West Africa; it rarely goes beyond 10%, except for a few, such as Senegal (13.9%) and Togo (11.4%). This points to an overall narrow manufacturing base in the sub-region. Service-led economies dominate in places like Cabo Verde (68.7%) and The Gambia (56.8%), probably driven by tourism and informal services rather than fully diversified high-productivity sectors. In general, the data indicate that some diversification is slowly showing up, but most economies are still structurally constrained, keeping a steady dependence on agriculture and low levels of industrialization, which limits wider economic transformation.

Figure 2: Contribution of sectors to GDP, 2024



Source: World Bank World development indicators database. Available at <https://databank.worldbank.org/source/world-development-indicators> (accessed on 19 May 2026).

The employment data discussed above highlights a structural shift that is partial and uneven, characterized by a limited expansion of manufacturing and modern industry, and a premature tertiarization of economies. Accelerating transformation in West Africa will therefore require policies that foster productivity-enhancing structural change, particularly by strengthening agro-processing, expanding industrial capabilities, and upgrading the quality-of-service sector jobs.

Overall, the pattern of employment and sectoral composition of the West African economy underscores a key challenge for economic diversification and transformation: while many young people are working, they are often concentrated in low-value activities, particularly agriculture and informal services, rather than in higher-productivity sectors such as manufacturing, which affects even those with tertiary education. This suggests that accelerating structural transformation will require not only job creation but also shifting youth employment toward more diversified, productive, and industrial sectors to fully harness the region's demographic potential.

A. Opportunities for West Africa to drive economic transformation

Leveraging the abundant endowment of natural resources

West Africa is endowed with abundant natural resources, including oil, minerals, and agricultural products. A recent publication by the World Bank⁹ indicates that mineral deposits are unevenly distributed globally, with Africa accounting for about 22% of the world's land area and holding significant shares of key minerals, including 34% of global gold, 23% of uranium, 16% of iron ore, and 14% of coal. Within Africa, West Africa stands out prominently for its mineral endowment, particularly in gold, where it contains 599.1 million ounces of gold, making it one of the continent's leading gold regions, far exceeding North Africa (23.5 million ounces of gold) and Central Africa (88.8 Moz). West Africa also holds notable quantities of coal (1,696.9 Mt) and iron ore (29,330.1 Mt), reinforcing its importance in energy and industrial minerals. The sub-region plays a crucial role in Africa's mineral economy and is a strategic base for export-led growth. Therefore, the subregion needs to leverage these assets for diversification and value-added industrial development.

Harnessing the potential of huge young population

Demographic dynamics play a major role in shaping the development landscape in West Africa. With half of the population of West Africa 18 years old or younger, the subregion is depicted as having a huge youth population with a significant potential for creating large labour force. Having a youthful population has an advantage as it contributes to economic growth, resulting in increased

⁹ Guj, P., Schoder, R., Bocoum, B., & Cust, J. (2025). *Mineral resources of Africa*. The World Bank. <https://documents.worldbank.org>

income and employment. Such demographic dynamics have the potential to change the trajectory of development by unleashing the full potential of youth to boost socio-economic development.

The increasing trend in the working-age population in West Africa may bring a decline in the dependency ratio and could lead to an increase in output, savings, and investment. However, the demographic dividend is not automatic. Without proper policies in place, the increase in working-age share may lead to rising unemployment and fuel economic and social risks.

Accelerating the operationalisation of the African Continental Free Trade Area agreement

The African Continental Free Trade Area provides an opportunity for accelerating the structural transformation and economic diversification of West African economies through strengthening national and regional value chains and thus enhancing both the intra-Africa trade and the production capacities.

The 2025 Africa trade report by Afreximbank indicates that West Africa was the second-largest intra-African trading subregion in 2024, supported by robust performances from Côte d'Ivoire, Nigeria, and Mali. West Africa's export potential to the rest of Africa was estimated at \$7.23 billion in 2024, out of a total export potential of \$13 billion, reinforcing the region's significant untapped capacity for intra-African trade. The products with the greatest export potential are processed food (\$1 billion), fish and shellfish (\$0.4 billion), fertilisers (\$0.3 billion), and beauty products (\$0.3 billion)¹⁰. These agro-industrial and semi-processed products underscore the region's comparative advantage in value-added trade and the importance of shifting away from overreliance on raw commodity exports. These priority products represented \$4.4 billion in total export potential, or 34 percent of the region's overall potential.

B. Challenges in West Africa to drive economic transformation

Addressing the Infrastructure gap

¹⁰ African Export-Import Bank (Afreximbank). (2025). *African trade report 2025: African trade in a changing global financial architecture*. Afreximbank. <https://www.afreximbank.com/>

Lack of access to infrastructure limits productivity gains and delays, limits small and medium enterprise participation and industrial development. Strategic development of cross-border corridors is crucial to expand the regional market and employment opportunities for youth.

Access to infrastructure in West Africa remains uneven but gradually improving, with important implications for economic diversification and transformation. Electricity access ranges widely from very low levels in Niger (20.1%) and Burkina Faso (21.7%) to relatively high coverage in Ghana (89.5%) and near-universal access in Cabo Verde (98.6%), while most countries remain in the mid-range (50–70%), including Nigeria (61.2%) and Senegal (74.2%). Similarly, digital inclusion is expanding but uneven, with internet usage as high as over 70% in Ghana and Cabo Verde, compared to less than 20% in Niger, and moderate levels (30–50%) in countries such as Côte d’Ivoire, Nigeria, and Togo¹¹. These disparities highlight a structural constraint to diversification. Countries such as Ghana, Cote d’Ivoire, and Senegal, with a relatively better infrastructure, are in a better position to advance structural transformation and create youth employment in productive sectors than the rest of the countries with weak infrastructure and more agriculture-dependent economies.

Managing Security challenges, Climate and external shocks

The success of economic transformation and regional integration in West Africa hinges on addressing security challenges in the sub-region. Lack of security is one of the challenges in West Africa affecting its overall economic development, and addressing its root causes is important to ensure sustainable development. Some of the potential causes of such conflicts in the region include poverty, inequality and competition over limited resources.

The sub-region is the epicentre of growing crisis with armed violence and insecurity driving millions of people to deep poverty, demographic pressures and food insecurity. The central Sahel region (Burkina Faso, Mali, and Niger) continues to experience a deterioration in security, driven by protracted conflict, and recurrent climate shocks, all of which are exacerbating food insecurity and underlying economic fragility. Addressing such security concerns needs an inclusive and sustainable approach with the involvement of all stakeholders, including youth, women, and civil

¹¹ World Bank World development indicators database. Available at <https://databank.worldbank.org/source/world-development-indicators> (accessed on 19 May 2026).

society, in peacebuilding and governance initiatives. In addition, external shocks, including the ongoing crisis in the Middle East, might affect the pace of economic transformation in the sub-region by raising shipping costs, disrupting trade and weakening currencies. The external shock can also influence the subregion positively, acting as a catalyst for regional integration, encouraging West African countries to strengthen supply chains, transform raw materials by adding value, and finance their own development.

3. Policy issues for discussion

- i. What are the main factors driving low economic transformation in West Africa
- ii. How can West Africa leverage its young population, natural resources, and the Africa Continental Free Trade Area to boost its economic transformation
- iii. How can West African countries reduce their exposure and enhance resilience to global shocks?
- iv. How can West Africa accelerate the development of cross-border value chains? What policy should be adopted?