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# Understanding Africa's leadership capability gap.

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## **Leadership is not a soft skill. It is the operating logic of economic agency.**

Africa's informal economy accounts for approximately 85% of employment in Sub-Saharan Africa. Operating within informality requires capabilities that formal education and skills training do not systematically produce: adaptive decision-making, tolerance for uncertainty, negotiation, network mobilisation, and ethical navigation of complex transactions. Youth who lack these capabilities do not simply struggle to find jobs. They struggle to sustain enterprises,

build teams, manage adversity, and convert economic opportunities into durable outcomes.

## **Misreading Leadership**

"Leadership" in the African development context is frequently misread as executive or political leadership. That conflation obscures what is analytically at stake.

The leadership capabilities relevant to youth employability are dispositional and behavioural: the capacity to make sound judgments in ambiguous situations, to sustain effort under institutional friction, to collaborate across difference, and to identify leverage points within complex systems. These are not soft add-ons. They are what determine whether a skilled

worker can function under the actual conditions of African labour markets.

### **A Generation in Contradiction**

The Afrobarometer Round 9 survey, conducted across 39 African countries between 2022 and 2023, exposes a structurally significant paradox: 71% of African youth reported low trust in formal institutions, while 63% simultaneously expected economic advancement through entrepreneurship. The gap between institutional distrust and entrepreneurial aspiration, without the leadership formation to bridge them, produces frustrated agency. This is the condition of a generation that is trained but not equipped to act under conditions its training did not anticipate.

### **What the Evidence Shows**

#### **1. Non-cognitive skills**

Heckman and Kautz's foundational research demonstrates that non-cognitive traits, including perseverance, self-regulation, and social competence, predict labour market outcomes independently of cognitive ability and educational attainment.

A 2022 World Bank analysis across Ghana, Kenya, and Tanzania found that non-cognitive skills accounted for 18-23% of the variance in earnings and employment duration, controlling for educational level. That effect size is not marginal. It is the difference between programme graduates who sustain economic mobility and those who cycle back into underemployment.

#### **2. Enterprise survival**

The IFC's 2023 MSME Finance Survey notes MSME failure rates in Sub-Saharan Africa average 54% within the first three years of operation. Post-failure analysis across sampled enterprises in Nigeria, Senegal, and Uganda identified

leadership and management capability deficits as the primary cause in 47% of cases, exceeding financing constraints (38%) and market access barriers (28%).

The sector's diagnosis consistently prioritises capital. The evidence consistently prioritises capability. This inversion has direct implications for where the next dollar of youth development investment should go.

### **3. Programme evaluation**

A meta-analysis of 23 youth employment programmes across Sub-Saharan Africa published by the IZA Institute in 2024 found that programmes incorporating structured leadership and behavioural competency modules produced 31% better employment outcomes at 24 months versus technical-only comparators.

The effect was consistent across country contexts and sector types, and was strongest in programmes with a minimum 18-month duration and structured mentoring components.

### **The Case for Integration**

The case for integrating leadership formation into employability programming is not ideological. It is empirical. The data from employer surveys, enterprise failure analysis, and programme evaluation converges on a single conclusion: technical skills without behavioural competency deliver diminishing returns.

Youth who possess both outperform those with technical credentials alone across every outcome metric the literature tracks, from earnings persistence and enterprise survival to employment retention and civic participation.

***"A technically trained youth who cannot navigate ambiguity, sustain effort under setback, or collaborate***

***across difference is not work-ready. They are certification-ready."***

Closing the formation deficit requires a different kind of investment logic, one that rewards formation over certification, persistence over placement, and long-term capability over short-term output. The following articles examine what that logic looks like in practice.

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