

Jesuit Centre for Theological Reflection


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Promoting Faith and Justice



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Youth Unemployment in Zambia:

The Case for Lusaka Province



Policy Brief

Executive summary

Introduction

While the problem of unemployment affects people of all age groups, the problem in Zambia affects the youths more than older age groups. Policies to reduce youth unemployment are required, not only to save youths from its negative effects, but to also enhance economic performance. For such policies to be effective, it is required that policy makers are armed with evidence regarding the various attributes of the unemployed youths. Such information could include demographic characteristics of the unemployed, their education status and skills, geographical distribution, trends in youth unemployment rates and other relevant characteristics.

In this study, we analysed various aspects of youth unemployment in Zambia and focused on Lusaka province. The study was aimed at answering the following research questions:

- i. To what extent has the unemployment problem among the youths' changes in recent years?
- ii. What are the possible causes and effects of youth unemployment in Lusaka province?
- iii. To what extent did the Covid-19 pandemic affect youth unemployment in Lusaka province?
- iv. What are some of the global best practices in resolving youth unemployment?
- v. What should government do to reduce the problem of youth unemployment?

These issues, though pertinent for policy, are hardly discussed in routinely conducted labour force surveys.

Methods

Given the broad scope of the study, mixed methods approach was adopted. The methods applied include the following:

Data collection

We combined primary and secondary data. Secondary data was collected from documents including empirical studies to determine global best practices in resolving the youth unemployment problem. We also used various labor force survey reports from the Zambia Statistical Agency to establish trends and distribution of the youth unemployment problem in the last few years. A survey was also conducted to collect household level primary data from 1400 households in Lusaka province.

Data analysis

Both qualitative and quantitative data were presented and analyzed using quantitative methods to describe the various aspects about youth unemployment. Specifically, descriptive statistics were used and presented in either tabular or graphical form.

Key findings and recommendations

Trends in employment and unemployment

Findings	Recommendation
<p>Finding 1: The labor force has increased in the last five years, rising from 3.4 million in 2017 to 3.6 million in 2021, but is dominated by males who constitute about 60% of the labor force.</p>	<p>Government needs to identify factors that constrain female participation in the labor market in order that strategies can be designed to improve female participation.</p>
<p>Finding 2: Labor force participation rate declined slightly from 37.5% in 2017 to 36% in 2021 and, was almost two times higher for males than females whose rate in 2021 was estimated at 28.3%.</p>	
<p>Finding 3: The informal sector accounts for the larger proportion of employed population i.e. in 2021, 43.4% of the employed population was in the informal sector while 29.6% and 27.0% of the employed population were in the formal and household sectors respectively.</p>	<p>Youths should be encouraged to utilize training opportunities like skills training under the Constituency Development Fund (CDF) to acquire skills and enhance employability.</p>
<p>Finding 4: The unemployment rate has remained around 12% since 2017: it was estimated at 12.6% in 2017 and 12.5% in 2021. In the 2021 LFS, the rate was higher in rural (14.1%) areas than urban (11.6%) areas, and among females (14.1%) than males (11.4%).</p>	<ul style="list-style-type: none"> • The inequalities in unemployment between rural and urban areas should be addressed through reform to the agriculture sector to enhance productivity and improve access to markets. • The rural economy can also be enhanced through promotion of value addition to enhance off-farm employment.
<p>Finding 5: The youth unemployment rate increased from 17.4% in 2017 to 22.1% in 2021. Youth unemployment rate has been higher than the national average: it was estimated at 17.4% in 2017 compared to a national average of 12.5%, and was estimated at 22.1% in 2021 compared to the national average of 12.6%.</p>	

Best global practices in resolving youth unemployment

Finding	Recommendation
<p>Finding 6: Youth unemployment is a global phenomenon. Several strategies have been used to tackle youth unemployment in different countries and these include:</p>	
<p>i. Agriculture reforms.</p>	<ul style="list-style-type: none"> • Agriculture reforms are required to enhance value addition, enhance access

	to markets, as well as increase access to extension services for young farmers.
ii. Information, Communication and Technology.	<ul style="list-style-type: none"> Given the center stage that ICT is taking in the global economy, more opportunities for youths to learn and utilize ICTS for business are required. Government should also continue rolling out key ICT infrastructure like the internet to all parts of the country.
iii. Entrepreneurship promotion.	Government should continue promoting entrepreneurship through educational programs as well as through provision of business opportunities to young entrepreneurs.
iv. Wage Subsidies for Volunteers and Interns.	Government should look into ways of sustaining the internship program being piloted by the Ministry of Youth, Sports, and Arts with support from UNDP. This will enhance skills and enhance employability among youths.
v. Establishment of Free Trade Area.	Trade liberalization should be promoted to ensure the youths can take advantage of opportunities in the region.
vi. Integrity Oriented Governance.	Government efforts to improve governance and reduce corruption should be enhanced to reduce leakage of public resources and optimize resource use for growth and enhance employment opportunities.

Youth unemployment in Lusaka

Finding	Recommendation
<p>Finding 7: Education levels among the youths in Lusaka vary between rural and urban areas as well as between males and females. Only 11.6% of the youths in rural areas have attained tertiary level education compared to 33.9% in urban areas. In terms of sex, only 23.7% of female youths have attained tertiary level education compared to 36.6% of male youths.</p>	<ul style="list-style-type: none"> Youths should take advantage of the various training support being provided by the government through CDF and the Bursaries and Loans Board to access tertiary education and enhance employability and capacity to run businesses. Existing vocational training programs should be strengthened to produce human resource ready for private enterprise.
<p>Finding 8: Majority (56.2%) of salaried youths in Lusaka have attained tertiary level education. On the other hand, the majority of self-employed youths have attained secondary education (47.6%) or less (23.2%).</p>	

Finding 9: Majority (55.9%) of employed youths in Lusaka are self-employed and most of them are urban dwellers (86.2%).	Given that self-employment is the major employer, government should create more opportunities for private enterprises by ring-fencing some of the public works in districts for youths.
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Covid-19 and youth unemployment

Finding	Recommendation
Finding 10: During the Covid-19 pandemic, youths in the private sector experienced more job losses than those in the public sector. About 56% of those who lost jobs worked for private enterprises while 28% worked for private households.	<ul style="list-style-type: none"> • Government should help the private sector increase its resilience through favorable fiscal policies during crisis periods. • Recovery financing and other incentives should also focus on enhancing the recovery of the private sector after a pandemic.
Finding 11: There were more job losses among females than males in government and private households. However, job losses in private enterprises affected more males (61%) than females (39%).	
Finding 12: There were several causes of job losses during the Covid-19 pandemic, but Covid-19 was the single most cited cause of job losses, accounting for 45% of all job losses. Labor disputes accounted for 25% of the job losses and seasonality accounted for 20% of the losses.	

Causes of youth unemployment

Finding	Recommendation
Finding 13: Several causes of youth unemployment were identified and these are:	
i. Structural causes:	The government should continue rolling out ICT education through the school curriculum to enhance ICT skills and create an opportunity for ICT-based jobs for the youths.
ii. Frictions in the labor market:	Access to internet facilities should be enhanced especially in rural areas to increase information flow to the youths and enable them exploit available business and employment opportunities.
iii. Low economic activity:	Local economies in rural areas can be revamped through youth empowerment programs and business opportunities created by CDF projects.
iv. Slow growth in the economy.	Expansionary macroeconomic policies are required to revamp economic growth.

Effects of youth unemployment

Finding	Recommendation
Finding 14: Several effect of youth unemployment were identified and these include the following:	
i. Increase in social ills such as drug abuse and crime.	Government should provide facilities where counselling services can be provided to prepare youths to cope with depression and low self-esteem from being unemployment.
ii. Increase in health problems such as depression and low self-esteem.	
iii. Decreased living standard.	Opportunities for self-employment should be created by enhancing access to skills training and business opportunities especially in rural areas.

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Case Study

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