



Enhancing youth employability

ZAMBIA

With a rapidly growing population, Zambia must foster opportunities for its burgeoning youth demographic.

A scoping paper commissioned by Canada's International Development Research Centre and the MasterCard Foundation underscores the importance of evidence-based measures to help youth secure gainful employment, and points to research pathways that will address key gaps in data and analysis.

In the last decade, Zambia's population grew by an average of 3 percent a year — faster than the average for sub-Saharan Africa of 2.7 percent. Despite economic growth of 6 percent a year since 2000, Zambia remains challenged by high levels of poverty and the aspirations of its growing youth population. Given the country's sustained high fertility rate, Zambia's workforce will remain young for some time. Recent UNDP projections estimate that working age youth (15 to 24) will make up 20 percent of the population for the next two decades.

80% of Zambians are **under 35** years old.

As it pursues economic development, Zambia will need inclusive, pro-poor policies to address both unemployment and *under-employment* among youth.

While jobs in the formal sector hold the promise of better wages and greater security, agriculture and the informal sector — including self-employment and small business development — cannot be overlooked, given their important role in Zambian livelihoods.

Developing the needed human capital is an essential step. While education quality at all levels is a concern, there is a compelling need to increase capacity in technical and vocational education to better align youths' skills with labour market demand.

Youth employment trends and challenges

Over half of the unemployed in Zambia are in the 15 to 24 age group, despite the fact that they make up only one-quarter of the workforce. But unemployment statistics tell only part of the story for Zambian youth.

Although Zambia recently achieved middle income status, its economy shares a rural-urban divide familiar in many countries across Africa. Given the importance of agriculture in the country's economy, and the extent to which both paid and unpaid agricultural labour accounts for so much of the overall employment picture, open unemployment is largely an urban youth problem in Zambia. Nearly one in four urban-youth job seekers are unemployed, with rates actually higher among those with more education.



More than **3 out of 4** young Zambians work in the informal sector.

Their rural counterparts are more likely to face the challenge of *underemployment* — working in precarious and poorly paid informal jobs. Indeed, the informal economy houses the majority of the Zambian workforce, but youth have the highest rates of informal employment: 77.1 percent of 15 to 24-year-olds compared with 70.5 percent of other workers are in the informal sector. Moreover, nearly a third are in unpaid household work — mainly related to agriculture — and hence trapped in marginal activity with no financial remuneration. Those who migrate to urban areas in search of formal employment often find themselves self-employed or in informal private sector jobs. Young women and teen girls are among the most likely to work in marginal jobs.



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Access to education and training

One of the most urgent challenges facing Zambia is to overcome its low levels of human capital development. Skilled workers are scarce, young people have limited access to higher education, and weak labour market linkages contribute to a mismatch between supply and demand.

While primary school enrolment rates have increased from 72 percent in 2002 to 94 percent in 2012, the rate of progression from primary to secondary schooling is stagnant, and remains low in comparison with neighbouring countries. Poor quality schooling is a factor in the high dropout rates, along with the economic pressures young people feel to contribute to their households. Just over one in a hundred go on to study at the tertiary level, even though those with post-secondary qualifications are significantly more likely to find jobs in the formal sector. Meeting Zambia's employment goals will require focusing further skills and training on both high school dropouts and the many graduates who currently do not continue to further education.



Only **1** out of **100**

Zambian school children will enrol in tertiary education.

Technical and Vocational Education and Training (TVET) — which focuses on imparting skills that are in demand within the labour force — is much touted as a response to the global youth unemployment challenge. But access to technical and vocational programs in Zambia is low, with a serious lack of capacity. In Zambia, as in many Southern Africa countries, enrolment in higher education is skewed toward universities and institutes of technology and away from vocational training colleges. Addressing this deficit will be one important route for Zambia to address skills shortages and better align labour supply and demand.

Transitions into working years

Transitions — both within education and into the workplace — take longer for young Zambians in comparison with peers in other developing countries, according to a 2008 World Bank study. Poorer youth tend to revolve between school and work as their education funding and economic pressures demand: many reach their twenties before graduating from secondary school. Women and the poor face the most protracted transition period.

Employers and young people cite different barriers to explain youths' difficulty in entering labour markets. While the young feel disadvantaged mainly by their lack of experience and technical skills, employers are dissuaded from hiring youth by their high turnover rates even more than their inexperience.



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While additional years of education generally increase the chances of finding work, there is considerable unemployment among high school graduates and even among those with post-secondary qualifications. This may be due in part to the higher wage expectations of these graduates, but it is more fundamentally tied to skills mismatches, with too many graduates earning qualifications for which there is little demand. International Labour Organization (ILO) surveys have found that over 80 percent of Zambian youth would prefer a future job in the public sector, and these unrealistic expectations may contribute to the mismatch.

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Entrepreneurship is seen as a positive alternative by many youth. According to the Global Entrepreneurship Monitor (GEM) 2012 report for Zambia, 80 percent of all youth respondents perceived good opportunities for starting a business, and 84 percent believed they had the skills and knowledge needed. Zambia has one of the highest early-stage entrepreneurship rates among those sampled through GEM, and the activity is driven primarily by those aged 25 to 34. But a lack of access to credit constrains them in growing their businesses.

Policy and program environment for youth employment

Meeting the challenge of youth employment is a shared concern for the Zambian government, the donor community, business, and civil society.

Public policy aimed at fostering the participation of youth in the Zambian economy dates back to 1994, when the National Youth Policy was first introduced. Amended in 2006, the policy framework has largely focused on “supply-side” approaches, such as by preparing school-leavers for employment; providing start-up capital for small businesses; and encouraging the formation of youth co-operatives. In a 2013 review, the ILO urged a shift toward simultaneously addressing labour market demand- and supply-side constraints, improving governance, and enhancing the implementation of policies and programs. The resulting National Action Plan on Youth Employment in Zambia also puts more emphasis on monitoring and evaluation. The country is also targeting more effective vocational education and training. A vocational training stream recently introduced in the secondary school system will enable young people leaving school at Grade 9 and Grade 12 to be assessed for trade certificates.



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The donor community has complemented government efforts with a number of specific micro-interventions. For example: a UN joint program led by the ILO aims to create job opportunities for young entrepreneurs within agricultural value chains and to boost food security; a partnership between the ILO and the Swedish development agency, SIDA, focuses on youth employment and skills training; and with support from the African Development Bank, the Ministry of Education, Science, Vocational Training and Early Education is implementing new training college curriculum in science and technology. NGOs too have played an important role, focusing mainly on rehabilitation and skills development, and more recently, enhancing Zambia's technology platform.

While efforts have thus been extensive, implementation has suffered from weaknesses such as flawed program design and a lack of coordination, and a dearth of program evaluation makes it difficult to weigh the success of various approaches.

Building an evidence base for effective interventions

Research can strengthen program design by grounding it in evidence. While significant data gaps remain, inroads have been made in recent years through a number of research efforts. Among the most notable are two surveys undertaken by the ILO in 2012-2013: the School-to-Work Transition Survey, which explored the labour market situation, views, and aspirations of 3,200 Zambian youth; and the Labour Demand Enterprise Survey which examined the current and expected workforce needs of enterprises. These complementary sets of data are useful in illustrating both the supply and demand side of youth labour markets. Together with Zambian labour force surveys, the available data present a useful overview of the youth employment landscape and the characteristics of unemployed youth.



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A review of current policies and practices suggests a number of key areas where further research could be tailored to improve effectiveness of programs and interventions.

A first priority is to better understand what interventions are working and which are not. In addition to integrating rigorous assessment into program design, there is a need for independent evaluation of current and recent interventions. A related question would be how successful programs might be scaled up to a national level.

In the education sector, Zambian decision-makers need to better understand the factors fuelling high dropout rates that prevent youth from progressing to secondary school graduation and beyond. Given current weaknesses in technical and vocational education and support for young entrepreneurs, more extensive evaluation and analysis is needed on current skills training and entrepreneurship support. In particular, the issue of sustainable financing for TVET is a priority. Among the questions research might explore: What labour-market mechanisms could shed light on skills gaps in the economy over time? What roles would government, business, universities, and TVET institutions play? What are the major obstacles to expanding and improving the TVET sector in Zambia? How can it be sustainably financed?

And finally, with the vast majority of Zambians employed in the informal sector, there remain gaps in understanding how informal labour markets work and how youth are faring. For the self-employed and young entrepreneurs, there is a need to better understand the potential impact of microfinance and business training. How can we shed light on the life-cycle of youth-owned small informal businesses in Zambia? What is the impact of access to microfinance on informal firms' performance in Zambia? And what is the role of financial literacy and management training?

Informed by research, interventions to promote youth participation in labour markets should be designed and elaborated together with the principal stakeholders. These include various government ministries and agencies; international donors and development agencies; schools, universities, and training institutes; private sector actors; civil society organizations; and, of course — youth themselves.



This brief is one of a series jointly commissioned by Canada's International Development Research Centre (IDRC) and the MasterCard Foundation to shed light on the critical challenge of youth employment in sub-Saharan Africa. It highlights key findings from the 2015 paper, "Youth employment challenges in Zambia: A statistical profile, current policy frameworks and existing interventions" by Haroon Borhat, Aali Cassim, Gibson Masumbu, Karmen Naidoo, and Francois Steenkamp. Full citations for the statistics highlighted here can be found in the source paper.

Opinions stated in this brief, and the paper it draws from, are those of the authors, and do not necessarily reflect the views of IDRC and the MasterCard Foundation.

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