

# A Policy Strategy Paper on Youth Employment Creation and Income Generation In South Sudan

**Reducing the Big Chance of Youth participation and Joining Conflict:**

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A group of unemployed youth during a recent meeting in Juba. [Photo: Via Gurtong]

## **Introduction and Background:**

**December 5 Butrus-Yei South Sudan: (Source Nyamiledia)** – Youth unemployment is becoming a highly growing concerned in South Sudan. Amid crisis in South Sudan, Youth Continue to Hope for Brighter Future (UNFPA 2014). Youth unemployment poses complex economic, social and moral policy issues in South Sudan and is among the highest in the world. Baseline Household Survey (2009) Unemployment problem brings about the lack of inclusive growth, reduction in the absorption of young people into the labour market and lack of participation of youth in the economy retard economic growth and high tendency for youth to joining the current conflict and any in the future. Unemployment has a profound consequence for poverty reduction, equity, social stability and the self-worth of individuals (African Economic Outlook, 2012). South Sudan population is estimated 9.2 million in 2013 (World Bank 2014). 22% of this population is aged 15 years and above in rural areas can read and write and 68%

have never attended school. Agriculture is the primary source of food and income for 79% of households in rural areas. 50.6% South Sudanese live beneath the national poverty. Only 5% of households earn a living through wages or salaries considered to be a basic employment (SSCS, 2010). Unemployment in South Sudan is linked to factors such as history of several war including the one on-going, insufficient labour demand, lack of skilled labour supply, and absence of a coherent government policy, the lack of a sound legal and regulatory framework, lack of vocational and educational opportunities. These factors limited youth absorption to the labour market as such the few job created are taken by foreigners who come to South Sudan in search employment. The current reliant on oil as a major economy in South Sudan does not create the needed jobs for youth. Diversifying other sources of economy such as agriculture will create and increase employment for youth (African Economic Outlook, 2012).

Long-term unemployment is worse than poverty as it leads to social exclusion and marginalisation, especially in urban areas, where a person's social status is linked to his/her job or career. Idle youth may be threat to themselves and to the social environment they live in as witnessed in the on-going war. Youth employment will drive economic growth and reduce poverty and may also secure social and environmental sustainability and reduce the big chance of youth participation and joining conflict. The current economic situation in South Sudan creates a sense of urgency in devising ways to boost opportunities and income generation by youth. Improving youth situation is central to the sustainability, economic prosperity and stability of South Sudan.

In response to this situation this policy strategy paper aims to put forward some effective policy options that can support improving and creating more inclusive jobs and reduce the big chance of youth participation and joining conflict. The policy strategy paper will review some literatures from tested and workable policies and programmes in other countries. The reviewed literatures will further inform strategic recommendations which can be used by policymakers, government at different levels, private sector and development agencies to improve the youth current situation, create jobs and increase inclusive opportunities in the labour market.

## **Literature Review**

Youth unemployment is a growing and perennial problem in many countries in the world today. As pointed out by scholars that entrepreneurship promotion policy could be a good way to improve and increase youth employment and reduce sizeable groups of young women and men became detached from the economic mainstream Curtain (2000). According to Curtain promotion of entrepreneurship is necessary as it makes young people to progress and gain employment and the policy is accepted globally. The policy creates and increases employment for the young person who owns the business. Many experts believe that this could bring back the alienated and marginalized youth into the economic mainstream (Curtain, 2000; White and Kenyon, 2000). Entrepreneurship could help address some of the socio-psychological problems and reduce the rise from joblessness and provide advice and assistance to local entrepreneurs about to take up a business venture is likely to aid the process Collier and Batty (pp. 534/535) this policy could be good for South Sudan.

Unemployment of youth can also be addressed by programs such as vocational training as a tested intervention. Vocational Training program has grown in recent years as the destabilizing effect of youth unemployment is increasingly realized as a significant challenge to post-conflict reconstruction Paul Collier (2003). In regions where peace is tenuous, large populations of unemployed youth can contribute to continued instability and threaten the peace process. Thus, vocational training programs targeting young population in general, as well as specific sub-populations such as ex-combatants and the most vulnerable people. Effective Youth vocational and formal education trainings can provide skills for both agricultural and non-agricultural and improved livelihood opportunities, for employment and self-employment. In Peru micro-entrepreneurs program found that microfinance lending and business trainings were mutually beneficial Dean Karlan and Martin Valdivia (2009). Business skills enabled women to better utilize their loans and institutional training improved client retention. With relatively few vocational training opportunities available in South Sudan the policy strategy will provide an important tool in enabling youth start their own businesses after gaining skills and manage their businesses professionally Jonathan Di John (2011). At the same time, formalization will increase the likelihood that workers are protected by national labour regulations and oversight Allan Larsson (2006).

A study of youth livelihoods in South Sudan found that without targeted and appropriate interventions such as provision of loans to entrepreneurs will not increase employment, that youth will remain idle or in low-skilled and possibly exploitative jobs, a wasted potential resource to support the South Sudan reconstruction and development (From the Ground Up 2007). Another survey result indicated that South Sudanese population growing insecurity is caused by “frustration due to unemployment and lack of regular salaries for those working with the government and if youth could access loan they could have opted to run their work business that create jobs. Scholars also pointed that the absence of labour opportunities for urban youths is seen as a direct causal factor of the increased gang activity in Juba (ODI 2011). Youth employment strategy in South Sudan needed to consider a policy drawn from Asian and Brazil experience. In Asia three policies were tested and proven workable. These policies are: 1. Improve youth situation through up-scaling microfinance institutions 2. Strengthening credit bureaus and guaranteeing loans to small and medium enterprises and 3. Taxation systems are simplified to drive forward economic growth and create more employment. While in Brazil its policies are around programs such as making taxation system simpler for micro and small firms to have an effective means of promoting start-ups and bringing unregistered workers into the formal employment fold Doing business in Brazil (2008). Lack of access to finance is cited by the entrepreneurs in small and medium size business in South Sudan being one of the constraints on the growth of their enterprises, followed by collateral. Some scholars indicated that addressing this constraint by putting in place adequate capital could fuel growth of youth employment (SSPS Strategy, 2012). In Uganda and Kenya promoting information and communications technology and telecommunication (ICTT) has supported the growth of the industry and has increased youth employment and drivers economic growth McKinsey & Co. (2010). The program has increased the growth of local enterprises Small and medium-sized enterprises (SMEs). Telecommunication companies provided technical skills to increase knowledge which enable job creation for knowledge workers and upgrading the business environment.

Research indicates that increasing education funding will increase the output in multiple sectors since labour quality will be improved. For example, in Ghana, researchers found that even when other factors are held constant, just one additional year of schooling increased agricultural output by between 2.5 and 5 percent Psacharopoulos, (1995). Recognizing and investing in education in South Sudan could empower the youth and equip them to increase livelihoods critical for the future and also make youth enter into food marketing and sustainable rural income generating activities. Non-governmental organizations (NGOs), civil society play a critical and diverse set of roles in societal development. Recently, a renewed focus on the essential contribution of civil society to a resilient global system alongside government and business has emerged. “A critical role that civil society can play is to moderate the impact of the markets” (John J. DeGioia 2013). More recently the need to preserve and enhance human capital has also been given emphasis. This policy package primarily relegates a passive role to the state, apart from providing an enabling environment for the domestic and external private sectors to play their role by exploiting this economic environment. Employment generation is then seen as a derivative of the overall economic resuscitation that is expected to take place as the economy restructures. In brief, the issue of youth unemployment is not only facing Ghana but the world in general as such it is important that it is addressed through a policy.

### **Strategic Policy Recommendations**

In order to support development initiatives for improving and creating more inclusive youth growth and employment in South Sudan the policy strategy paper suggests the following seven (6) recommendations. The recommendations can be used by policymakers, government institutions at different levels, private sector and development agencies.

**Policy recommendation 1:** The social fabric among different youth groups in South Sudan need to be addressed through creating a platform for dialogue between different youth groups. Creating a platform for youth will make youth to form joint business ventures that will create some sense of sustained business environment. This ensures youth sharing business ideas within themselves. Addressing the social fabric among different youth groups will have significant impact on youth interactions considering the current situation and ensuring employment and promoting their common vision. Youth dialogue is dependent on political and social will from both youth and government and also availability of funding from either development agencies or government.

**Policy recommendation 2:** There is a need to develop a national action plan on youth employment this can be initiated by government with participation and support from development employment creation stakeholders. This should be done while strengthening youth employment networks at state and national levels. The action plan should focus on future entrepreneurial generations by scaling up youth entrepreneurship and encouraging the development and success of young entrepreneurs and this will drive youth from easily being driven to participant in conflicts. Putting in place the action plan requires some funding allocation which the government needs to bear it.

**Policy recommendation 3:** The government, private sector players and civil society should work together closely to ensure that skills development programmes have exit strategies linking young

people to employment, further learning or self-employment. Skills development programmes should be made more inclusive so that youth can benefit from economic growth and job creation. The government should encourage the development and expansion of entrepreneurship-related learnerships such as the once managed by Norwegian People Aid, Episcopal Church of Sudan in Yei and the Multi-Purpose Training Center (MTC) in Juba. Improving the capacity of the vocational training institutions will ensure quality skills programs in which learners will acquire the technical skills needed to run a business. In order for it to happen, the government and development agencies need to fund it.

**Policy recommendation 4:** The Government of South Sudan and the private sector should adopt a policy programme that targets the mobilization of deposits, granting loans and providing financial services to micro and small businesses operated by disadvantaged youth but this has to be inclusive in the informal sector both in Juba and in the states. Funds should be set aside and emphasis in strengthening credit bureaus and guaranteeing loans to small and medium is necessary.

**Policy recommendation 5:** Local economic development will ensure that rural youth will get employment at rural areas and reduce rural-urban migration. This also has to go with food security and small holder's employment. There should be need to women well-being and empowerment as very much women are very much engaged with agriculture and environment. Realizing local development will cost some money and government needs to budget for it.

**Policy recommendation 6:** Government should consider subsidizing the agriculture production cost as this is important to ensure young farmers increase in food production for market. The subsidies can be through provision of improved seeds, agricultural tools access to market and also reduction in the number of taxes farmers receive. By government ensuring and using subsidy as a policy program will result into increase in the rate of youth employment in the agriculture sector. Government needs to be ready to accept that that subsidizing will cost so loose of direct income to it but will pay back once the many youths get employed and agriculture production increases with high supply to different markets.

**Policy recommendation 7:** The government and development agencies should increase learner success rates by providing needed resources to poorly resourced schools; improving the quality of teaching; and providing supplementary support to learners who perform poorly. Government partnership with relevant partners should promote access to education through mobilizing scholarships and bursary schemes for the youth to enable them to access education. There should be consideration of career guidance, with particular emphasis on the promotion of scarce skills. This will increase the chance of out-of-school youth with a second chance to complete education that will enable them to compete in the open labour market.

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