



Munich Personal RePEc Archive

What prolongs youth unemployment in The Gambia?

Ceesay, Masanneh Landing and Kakengi, Veronica

Gambia Bureau of Statistics, Independent Researcher

9 October 2020

Online at <https://mpra.ub.uni-muenchen.de/113516/>
MPRA Paper No. 113516, posted 30 Jun 2022 07:06 UTC

What prolongs youth unemployment in The Gambia?

Masanneh Landing Ceesay and Veronica Kakengi*

Abstract

This paper intends to analyse unemployment duration among youths in The Gambia using data from the Gambia Labor Force Survey conducted in 2018. The general profile of unemployed youth shows that unemployment is a major challenge in The Gambia's labour market. Of the unemployed youths, majority are found to experience long term unemployment while the remaining proportion experience short spell of unemployment. Logistic regression is applied to analyse the effect of education attainment, sex, area of residence, marital status as well as differently able status on unemployment duration. Education attainment, area of residence as well as marital status has shown to have significant effect on youth unemployment duration. Sex and differently able of youths are statistically not significant.

Key words: *unemployment duration, labour market, unemployment, logit regression*

Introduction

Youth unemployment is one of the fundamental labour market challenges for The Gambia. It is a reflection of the willingness and desire of unemployed individuals to work. Small number of job openings suggests policy failure which has socio-economic implications. Youth unemployment, if not addressed immediately tends to create social vices. Underutilization of labour is an outcome of unemployment (Boateng, 2013), thus, failure to contain it will make the unemployed vulnerable to poverty and a loss of income to the Government (income tax revenue). As already mentioned, the problem of high youth unemployment is a global phenomenon.

According to AfDB, et. al 2012, less than 15% of youth in the labour market in many African countries are in wage employment. Pieters (2013) stated that, Africa has both the highest share in the working age population and youth population growth rate as compared to other continents. Furthermore, about 60 percent of persons unemployed in the continent are estimated to be below 30 years old (Leavy and Smith, 2010). Such statistics should be a source of concern for

*The authors are, respectively, Senior Labour Statistician at The Gambia Bureau of Statistics, Banjul (The Gambia); and Independent Researcher, 77657 Dar es Salaam (Tanzania). Corresponding e-mail: masceesay@outlook.com / victorveronica85@yahoo.com

governments and policy makers. Nonetheless concerns are being raised about social unrest, depression, political instability, crime and conflict (Pieters (2013), Namatovu, et.al (2012) and Blattman, et.al (2012)).

According to the most recent labour force survey (GBoS GLFS, 2018), a high youth unemployment rate of 41.5 per cent exists in The Gambia. The youth unemployment rate is higher than the rate for adults. Furthermore, youth Not in Employment, Education or Training (NEET) stands at 56.8 per cent.

Acute unemployment and underemployment problems in the country especially amongst youth and women has been major challenges to the government of The Gambia and that is why it has prepared and implemented two national employment generation strategy papers, National Employment Action Plan (NEAP) 2003-2008, the National Employment Policy (NEP) 2010-2014 and a midterm development strategy paper in the name of Programme for Accelerated growth and Employment (PAGE) for the period of 2012 - 2015 to combat poverty as well as induce growth and employment. The success of which is yet to be seen.

Recently the government has introduced another midterm development plan; The National Development Plan (NDP) 2017-2021 and a new employment policy; National Employment Policy (NEP) 2020-2024. However, it is not clear whether these will succeed unless the government has a clear and in-depth understanding of the main determinants of unemployment, particularly among vulnerable groups (youth and females). Most of the previous studies on unemployment in The Gambia have mainly been descriptive in nature and at most merely present the unemployment profile of the country. Moreover, unemployment duration is another facet of unemployment in The Gambia which has not been explored. For the Government of The Gambia to be able to draw, implement and predict the effect of employment creation strategies, it must have an in-depth understanding of unemployment in relation to the various sub-groups of the population.

The Gambia country context

The Gambia is a country in West Africa and the smallest country in mainland Africa, spanning just 10,120 square kilometers. Its population density of about 201.43 persons per square kilometer of land area and is among the top 10 in mainland Africa. It winds along a narrow strip of land that spans the Gambia River, and water covers 10 percent of its total surface area. The river runs from

east to west, dividing the country into two banks, each of which is 25 to 50 kilometers wide and about 300 kilometers long. The unusual shape of the Gambia is due to its colonial history. The country is surrounded by Senegal except on the Atlantic Ocean at its western end. There is no distinct border to distinguish these two countries which presents both challenges and opportunities.

The Gambia has access to international markets through the Port of Banjul and has close economic ties with its regional neighbors. Its geographic location between the metropolitan hub of Dakar to the north and the national capitals of Bissau and Conakry to the south forms an important overland transit corridor, and trade with these countries shapes economic opportunities. The Gambia is geographically and climatologically diverse in temperatures, altitudes and weather. This rich terrain supports a rich diversity of plant and animal life, and income-generating activities tied to the country's natural endowments but remain under-utilized.

The Gambia is rich in cultural diversity - lifestyles vary from traditional groups in rural areas to cosmopolitan cities such as Banjul and Kanifing. Ethnicity transcends its political borders and most ethnic groups share similar class hierarchies, which are often inherited from ancient societies, and interethnic marriages are common and widely accepted. Unlike other West African countries, The Gambia has enjoyed long spells of stability since independence although that has not translated to economic prosperity. Tourism remains the most important source of foreign exchange as well as remittances from abroad.

The main purpose of this paper is to analyse the duration of unemployment among youth[†] in The Gambia. Moreover, the paper aims to improve the understanding of the socio-economic and demographic characteristics of youth which affects their duration of unemployment to help policy makers to formulate and predict youth unemployment reduction strategies in The Gambia. The outcomes of the study are also crucial to the youth, employers and other labour market players, for understanding the source of problems resulting in unemployment of youth who accounts for a large share of The Gambia's labour force. Finally, the study also adds to the existing literature by filling

[†]Youth in this study is defined as person age 15-35 years. It adopts the national and African Union definition

the knowledge gaps on the roots of youth unemployment and how the problem can possibly be addressed in The Gambia.

Review of Literature

Most of the literatures in this section describe duration of unemployment based on studies conducted in most of Asian and European countries and none from African countries. Since in most African countries unemployment duration is under-explored, studies from other countries will be helpful in depicting a general picture of how these factors affect unemployment duration as well as the whole empirical production used.

Theoretical review

The theory underpinning this analysis is the job search theory put forward by Mortensen, (1970). This theory stands at an assumption that, when a job seeker is unemployed, the expected duration of his/her unemployment depends upon the probability of receiving a job offer and accepting that particular job offer. In addition, the probability of receiving a job offer will be determined by some factors that make a specific worker attractive to an employer such as education, skills level and local demand. On the other hand, the probability of accepting job offer depends on his/her reservation wage.

Empirical review

In Russia and Egypt, studies by Grogan and Van den Berg, (2001) and Kherfi, (2015) respectively unveiled a positive relationship between educational attainment and duration of unemployment. These findings suggest; with higher education, individuals tend to experience short durations of unemployment. Lindsay et al., (2003) also studied the factors for unemployment duration in remote rural labour markets and the results were undistinguishable from the previous scholars as she maintained that among other factors, gaps in education lead to long spells of unemployment to job seekers in the rural labour markets.

With evidence from graduates in Taiwan Chuang, (1999) found longer unemployment durations for youth who are relatively older than their peers and this effect is found to both male and female. Likewise, in Gorj county, Dănăcică and Babucea, (2007) provided that youth in age group 15-24

have the shortest unemployment terms despite being a disadvantaged group in the labour market because of lack of experience and exposure. Regarding sex of youth, according to research conducted by Dănăcică and Mazilescu, (2012) on the characteristics of long-term unemployment spells in Romania, there was evidence that women experience long unemployment duration as compared to their male counterparts.

Similarly, in Turkey and Egypt women tend to suffer longer than men in the labour market as suggested by Tansel and Taşçi, (2004) and Kherfi, (2015). Also in Russia, women tend to fall under longer unemployment spells unlike men. In addition Aarson et al., (2010) found that between the mid-1980s and mid-2000s the rise in unemployment duration was strongly attributed to changes in demographic characteristics mainly age and gender whilst at the end of 2009 only one half of the increase in average duration of unemployment relative to that of 1980s can be explained by demographic characteristics

In the aspect of marital status and its relationship to unemployment duration, Grogan and Van den Berg, (2001) described that married women tend to go through long durations of unemployment in the labour market. Unlike results by Chuang, (1999) as he found married youth to have shorter unemployment durations, however, when his analysis separate males from females, shorter unemployment durations are experienced by males only. As regards the region of residence, Dănăcică and Brancuși, (2011) results revealed that job seekers in urban areas tend to experience shorter unemployment durations compared to those in rural areas. On the contrary in Turkey Tansel and Taşçi, (2010) identified longer unemployment durations in urban than in rural areas

From the body of literature gathered, it is evident that there is limited or no literature which expound the notion of unemployment duration in most African countries, in this case The Gambia. Therefore, this study will explore the roots of unemployment duration and add to the existing literature of unemployment studies.

Data and Methodology

Data:

Data used in this analysis is drawn from the Gambia Labour Force survey (GLFS) of 2018 (GBoS, 2018). The labour force survey dataset is used because it is rich enough to provide the necessary data to be used in creating relevant variables for this study. From the dataset, a sample of 5,703 youth is drawn. This sample consists of youth that stated their duration of availability for work by the time the LFS was conducted. Thus this sample is the basis for the analysis from which variables related to socio-economic and demographic characteristics of the youth are drawn as well as data on the duration of their unemployment.

Methodology:

This study applies quantitative analysis of the variables of interest towards unemployment duration. Firstly, descriptive statistics is used to describe the characteristics of the youth that stated their duration of unemployment in the survey followed by correlation analysis as it is used to find out if there is any association between unemployment duration and the socio-demographic characteristics. Lastly, econometric analysis is applied to analyse the effect of several factors on the period of unemployment.

Results

Descriptive statistics

The data from the 2018 Gambia Labour Force Survey shows that unemployment is higher in the rural (69.4 %) than in the urban areas (30.6 %). At LGA level, the data shows that, Basse (24.6 %), Brikama (21.7 %) and Kerewan (16.3 %) had the highest proportions of unemployed youth (see Table 1).

Table 1: Unemployment rate for youth aged 15-35 years by area, LGA and sex

Area	Sex		The Gambia
	Male	Female	
Urban	32.8	28.8	30.6
Rural	67.2	71.2	69.4
LGA			
Banjul	0.7	0.3	0.5
Kanifing	7.2	6.0	6.5
Brikama	25.2	18.8	21.7

Mansakonko	5.1	7.6	6.5
Kerewan	16.1	16.4	16.3
Kuntaur	10.1	10.6	10.4
Janjanbureh	14.2	13.3	13.7
Basse	21.5	27.1	24.6
The Gambia			41.5

Source: 2018 GLFS, authors' calculation

The socio-demographic characteristics of the unemployed youths with their respective unemployment duration in The Gambia (see table 2) show that, long spells of unemployment are experienced by more women (55.3%) than men (44.3%). In the same vein, majority of youths with no schooling (63.9%) are found to be prone to longer term of unemployment which is not a surprise at all as with no education, a labour market prospect is perceived to have no skills necessary to be employed.

Additionally, results show a decreasing trend in the proportion of long term unemployed youth with an increase in the level of education which means attaining higher levels of education guarantee not only employment to youths but also shorter periods of joblessness. With regards to marital status results demonstrate that majority of long term unemployed youths are married compared to those not married.

Table 2: Percentage distribution of type of unemployment duration by demographic characteristics and socio-economic status

Characteristic/Status	Unemployment duration	
	Short	Long
Sex		
Male	45.5	44.3
Female	54.5	55.7
Residence Area		
Urban	32.0	22.6
Rural	68.0	77.4
Education Level		
No schooling	56.9	63.9
Early childhood	0.4	0.1
Primary	15.7	14.7
Lower secondary	14.6	11.4
Upper secondary	12.1	8.6
Vocational certificate	0.5	0.3

Diploma	0.6	0.8
Higher	0.1	0.1
<i>Marital Status</i>		
Married	51.0	55.4
Not married	49.0	44.6
<i>Differently Able Status</i>		
Not differently able	99.1	99.1
Differently able	0.9	0.9

Source: 2018 GLFS, authors' calculation

Correlation Analysis

It is of great importance to identify how unemployment duration is associated with residence area, sex, education level, marital status and differently able status (see table 3). Results show, marital status and residence area are positively associated with unemployment duration and the association is statistically significant. The implication of this relationship is that being located in rural areas and being married both increases the chances of being in long term unemployment. On the other hand, the higher the levels of education, the shorter the period a youth will stay unemployed. Education level is inversely correlated with unemployment duration.

Table 3: Correlations between unemployment duration and independent variables

Unemployment duration	pworth	star (0.05) sig
residence area	0.1022*	0.0000
Sex	0.0108	0.4136
education level	-0.0771*	0.0000
marital status	0.0422*	0.0014
differently able status	0.0018	0.8935

Econometric analysis:

Since this study is mainly on analyzing the causal effect of the selected factors on unemployment duration, logit regression model is applied to assess the effect of such factors on unemployment duration. The application of logit model is based on the fact that the dependent variable is binary such that, the probability of an individual to exit unemployment at a given duration of time depends on educational attainment, marital status, area of residence, differently able and sex. Logit model is used following the study by (Lasibille et al., 2001) that applied Multinomial Logit to analyse the probability of youth finding a first job in 6 months, between 6 and 18 months and more than 18

months in Spain. The only difference is that their outcome variable had three categories while the outcome variable in this analysis is binary.

The Logit model is defined as;

$$\Pr(y_t = 1) = f(\text{Age}_t, X_t)$$

$$\text{Prob}[Y_t=1] = F(\beta_0 + \beta_1 \text{Age}_t + X_t) = \frac{1}{1+e^{-(\beta_0+\beta_1 \text{Age}_t+X_t)}}$$

Where;

Y_t is the dependent variable which is the probability that a graduate stays unemployed for a given duration of time t ($Y_t = 1$ if a long duration, otherwise $Y_t = 0$),

F is the logistic cumulative distribution function,

X_t represents the vector of explanatory variables included in the equation

β represents the vector of coefficients.

Dependent variable: Unemployment duration is the dependent variable for this study of which it is divided into two main durations; short term and long term. Short term unemployment is defined as a period for which a job seeker stayed unemployed for a period of less than 12 months (a year) and the long term of unemployment is for job seekers who are unemployed for a year or more.

Independent Variables; The independent variables that are used include educational attainment, age, marital status, area of residence, differently able as well as sex to find out how they affect unemployment duration.

Interpretation of results:

This analysis assesses the effect of sex, education, marital status, area of residence and differently able status on unemployment duration (See table 4).

Table 4: Logit results

Iteration	0:	log	likelihood	=	-3723.7889
Iteration	1:	log	likelihood	=	-3682.2667
Iteration	2:	log	likelihood	=	-3682.2148
Iteration	3:	log	likelihood	=	-3682.2148

Logistic regression	Number of obs	=	5,687
	LR chi2 (5)	=	83.15
	Prob> chi2	=	0.0000
Log likelihood = -3682.2148	Pseudo R2	=	0.0112

Unemployment Duration	Coef.	Std. Error	z	P> z	[95% Conf. Interval]	
residence area	0.43	0.06	6.82	0.00	0.30	0.55
sex	-0.04	0.06	-0.6	0.55	-0.16	0.08
education level	-0.08	0.02	-4.19	0.00	-0.11	-0.04
marital status	0.11	0.06	1.78	0.08	-0.01	0.24
differently able status	0.06	0.30	0.19	0.85	-0.53	0.64
constant	-0.18	0.35	-0.51	0.61	-0.85	0.50

*** p<0.01, ** p<0.05, * p<0.1

Area of residence: Youth in the sample have been found to live in different geographical locations either urban or rural. Results of the analysis reveal that, being located in rural areas as compared to urban areas significantly increases the likelihood of experiencing long term unemployment. Similar to findings from Dănațică & Brancuși, (2011) as they also found that job seekers in urban areas tend to experience shorter unemployment durations compared to those in rural areas. These results lead to an implication that The Gambia’s rural areas are faced with limited or no employment opportunities which can absorb the population of youths looking for jobs.

Education attainment: Level of education is used as an explanatory variable to capture for the effect of knowledge and skills that youth acquire from school in job searching. Findings show that education attainment has a significant effect on unemployment duration as with an increase in the level of education, the shorter the period of unemployment a youth can experience. These findings are quite similar to that of (Borsic & Kavler, 2009) as they found a decrease in unemployment durations to unemployed persons with levels of education.

Marital status: Results unveiled that “not married” youths are more likely to experience longer spells of unemployment compared to youths who are married, the effect which is statistically significant. These results entails that youths who are not married are at a disadvantaged position when it comes to length of unemployment duration compared to married youths similar to findings from (Chuang, 1999) in Taiwan.

Sex: Results further reveal that females experience low probability of experiencing longer durations of unemployment as compared to men however this effect is not statistically significant which implies that females are less likely to fall in long term unemployment as compared to their counterpart. These findings oppose that of (Dănăcică & Mazilescu, 2012) and (Tansel & Taşçi, 2004) as both cases found that female stay longer in unemployment than male.

Differently able status: Youths with disabilities in the Gambia are found to be exposed to long term unemployment unlike those with no disabilities. These finding may be subjected to the fact that physically disabled people are considered to be incapable of performing some kind of tasks which in turn translates to experiencing long spells of unemployment. However, these results are not statistically significant and calls for further exploration to provide more insights on the relationship between unemployment duration and differently able.

Conclusion and policy recommendations

This specific study focused on analysing unemployment duration among youths in The Gambia. Empirical analysis is applied and by using the logit model, unemployment duration which is binary is applied as an explained variable while area of residence, sex, education attainment, marital status along with differently able status are used as explanatory variables.

With almost half of the working age population in The Gambia consisting of youth, this analysis have found that more than half of the youth population are in long term unemployment which implies that they face long spells of unemployment after completing school with difficulties to find regular jobs in the labour market. It is also evident that vulnerable groups (female and disabled) continue to suffer longer in unemployment compared to their counterparts. Education continues to be an important tool of instilling skills and knowledge to youths and with the increase in the levels of education youths are less likely to experience long term unemployment.

From the results obtained, this study recommends that, the Government of The Gambia needs to put in place active labour market programmes such as internships, apprenticeships, which can be useful in assisting youths to retain their skills while looking for jobs. Furthermore, the government should conduct impact evaluation of the employment policies that are in action to see how well they align with the current changes in the labour market. Also we recommend for further exploration on the relationship between disabilities and employment for further policy consideration.

Reference

1. AfDB, OECD, UNDP and UNECA (2012). *Promoting Youth Employment. African Economic Outlook*, www.africaneconomicoutlook.org[Accessed on 14 July 2016]
2. Aarson, D., Mazumder, B., & Schechter, S. (2010). *What is behind the rise in long-term unemployment?*
3. Boateng, W. (2013). *Determinants of unemployment in Ghana*. African Development Review, 25(4), 385-399
4. Blattman, C., Fiala, M., & Martinea, S. (2012). *Employment Generation in Rural Africa: Mid-term results from an experimental evaluation of the Youth Opportunities Programme in Northern Uganda*. Discussion Paper No. 1201, German Institute for Economic Research, DIW, Berlin.
5. Borsic, D., & Kavler, A. (2009). *Modelling unemployment duration in Slovenia using Cox regression models*. Transition studies review, 16(1), 145-156.
6. Chuang, H.-L. (1999). *Estimating the determinants of the unemployment duration for college graduates in Taiwan*. Applied Economics Letters, 1999, 6, 677- 681.
7. Dănăică, D., & Mazilescu, R. (2012). *Characteristics of long-term unemployment spells in Romania*. Annals-Economy Series, 4, 122-129.
8. Dănăică, D.-E., & Babucea, A.-G. (2007). *The Role of Education for the Duration of Unemployment in Gorj county*. MPRA Paper No. 7570.
9. Dănăică, D.-E., & Brancuși, C. (2011). *Incidence and unemployment duration in the Oltega region*. Târgu Jiu, Seria Economie, Nr. 2/2011.
10. Gambia Bureau of Statistics (GBoS) [The Gambia] 2018. *The Gambia Labour Force Survey 2018*, Banjul, The Gambia: GBoS
11. Grogan, L., & Van den Berg, G. (2001). *Duration of unemployment in Russia*. Journal of Population Economics, 14(3), 549-568.
12. Heckman, J., & Borjas, G. (1980). Does Unemployment Cause Future Unemployment? Definitions, Questions and Answers from a Continuous Time Model of Heterogeneity and State Dependence. *Economica, New Series, Vol. 47, No. 187,*, pp. 247-283.

13. Kherfi, S. (2015). *Determinants of unemployment duration: the Egyptian labour market in an era of Revolution*.
14. Kupets, O. (2006). *Determinants of unemployment duration in Ukraine*. *Journal of Comparative Economics*, 34(2), 228-247.
15. Leavy, J., Smith, S. (2010). *Future farmers; youth aspirations, expectations and life choices*. FAC discussion paper no. 13, Future Agricultures.
16. Lindsay, C., McCracken, M., & McQuaid, R. (2003). *Unemployment duration and employability in remote rural labour markets*. *Journal of Rural Studies* 19 (2003) 187–200.
17. Namatovu, R., Dawa, S., Mulira, F., Katongole, C., & Nyongesa, S. (2012). *Rural Youth Entrepreneurs in East Africa: A view from Uganda and Kenya*. ICBE- RF, Research Report No. 32/12. 22.
18. National Employment Action Plan (NEAP) 2003-2008 (2002), The Republic of The Gambia, Ministry of Trade, Regional Integration and Employment.
19. National Employment Policy (NEP) 2010-2014 (2009), The Republic of The Gambia, Ministry of Trade, Regional Integration and Employment
20. National Youth Policy 2009-2018 (2008), The Republic of The Gambia, Ministry of Youth and Sports, Banjul, The Gambia
21. Pieters, J. (2013). *Youth Employment in Developing Countries*. IZA Research Report No;58.
22. Programme for Accelerated Growth an Employment (PAGE) 2012-2015, (2011), The Republic of The Gambia, Ministry of Finance and Economic Affairs
23. National Development Plan (NDP) 2018-2021, (2018), The Republic of The Gambia, Ministry of Finance and Economic Affairs