

Big Barrier: Youth unemployment at the coast

BY HANNAH WADDILOVE



From left to right: Vipul Patel, Yasser Bawazir, Neema Araka, Dorcas Amakobe, Thelma Chebet, Edward Githaiga, Kahaso Mtana and Cindy Lithimbi.

Key points

- Mombasa's youth struggle to compete in local labour markets due, in part, to the limited priority given to a poorly-performing education sector.
- Entrepreneurial traits such as hard-work, confidence and determination are seen as part of a solution to youth unemployment.
- Structural barriers such as nepotism and lack of sufficient capital inhibit youth progression regardless of individual drive.
- Youth funds exist in abundance but are difficult to access.
- Initiatives to connect young people to businesses have enjoyed some success.

Moderators

Dr Othman Mujahid (BRAVE/Researcher)
Cindy Lithimbi (Adam Smith International)

Panellists

Panel 1

Dr William Kingi (Jumuiaya Kauntiza Pwani)
Moza Jadeed (researcher and lecturer)
Charles Msilanga (Kenyatta University, President of Student Union)

Panel 2

Vipul Patel (Advisor to the County Executive Member for Youth Gender and Sports, Mombasa County Government)

Yasser Bawazir (Chairman, Bawazir Foundation)
Thelma Chebet (McKinsey Social Initiative)
Kahaso Mtana (Lateral Management Advisory)
Neema Araka (Stepping Stones)
Edward Githaiga (Vision 2030 Youth Entrepreneurs Associates)
Dorcas Amakobe (Moving the Goal Posts Kenya)

Introduction

In Kenya, 80 per cent of the unemployed are believed to be below the age of 35. The rate of unemployment in Mombasa, Kenya's second largest city and home to the region's largest port, is estimated to be 44 per cent. The Kuza project's definition of unemployment includes those earning less than KES 10,000 (USD 100) per month. This raises concerns of how the Kenyan coast will be able to harness its potential if the labour market is unable to absorb rapidly increasing numbers of young workers.

On 8 December 2016, the Rift Valley Forum, in partnership with Adam Smith International and the Kuza Project, hosted a public forum to discuss drivers and solutions to youth unemployment at the coast. Participants included academics, people working in the field, youth, representatives from County Government and business partners.

The forum aimed to expand the space for discussions about policy and uncover what can be done to make partnerships a transformational tool for development. With the coast becoming a major commercial and trading hub, as well as an area of major investment and infrastructure, the forum looked at how various partnerships could be brokered by the County Government to ensure that local youth benefit from the opportunities created.

Panellists were keen to provide the many young people at the forum with the inspiration and confidence to improve their situations. For some young members of the audience, however, the onus on the individual to be pro-active risked underplaying entrenched structural barriers.

Difficult starts: Education and background

Disadvantages for Mombasa's youth in the labour market begin at an early age. The large, youthful population of the county places stress on an education sector that has been historically under-resourced, even by national standards. William Kingi provided supporting statistics. At the coast, student transition rates from primary to secondary school hover around 20 per cent, while from secondary to higher education, the figure is around 5-6 per cent. Insufficient opportunity in the education system contributes to a lack of confidence and initiative among Mombasa youth, especially for those with low grades at the Kenya Certificate of Primary Education (KPCE) level.

Dorcas Amakobe described specific challenges for girls, often held back by families who place the onus for household work on their daughters, thus limiting their access to information and opportunities. Several panellists went so far as to argue that the coast has a 'mentality problem' with regard to parental commitment to their children's education. Whatever the perceived cause, members of the audience provided cogent examples of the struggles of local youth to compete in the labour market against up-country peers residing in Mombasa.

The individual and entrepreneurship

A lack of confidence among young people was discussed as a disadvantage exacerbating the youth unemployment problem. However, the desirability of traits such as passion, perseverance, patience and initiative were encouraged due to the perceived imperative of entrepreneurship as integral to the solution to youth unemployment.

Charles Msilanga and Edward Githaiga in particular argued that there was an urgent need for youth to shift from being 'job seekers' to 'job creators'. Key areas of opportunity for Mombasa were identified as investment in the value-chain of the 'blue economy' (either fishing or the port), and agri-business for more rural Kwale and Kilifi counties. However, panellists also highlighted the need for youth to 'do something they love', if any business venture they undertook was to have the chance of success.

There were questions, however, on the wisdom of entrepreneurship being pushed as the primary solution to youth unemployment. According to a recent Kenyan Bureau of National Statistics Survey, for instance, 46 per cent of micro-enterprises in Kenya close within the first year. Several panellists, however, argued that the push for entrepreneurship did not always mean opening your own business, but also referred to having the drive to succeed, whatever the chosen field of activity.

Structural barriers

The failure of the public and private sectors to sufficiently absorb Mombasa's youth population in salaried employment informed the focus on entrepreneurship. Moza Jadeed, for instance, argued that young members of the audience should not give up if the government does not give them a job. However, members of the audience raised structural concerns as inhibiting the setting up of a business, which exist regardless of the individual presence of desired traits such as passion and confidence.

Closed social networks and concerns about nepotism in the labour market were raised, in reference to both public and private sectors. The barriers created by the need for *kujwana* (to know each other) excluded many. Perceptions were widely felt that one could only get ahead in Mombasa if you 'know the right people'. This problem was acknowledged and potential solutions were suggested. These included the need to volunteer in order to become known after you finish school or university, as well as the importance of mentorship to help young people find their way and build self-esteem.

One audience member, however, stressed the need for the forum to avoid 'sugarcoating' the problems facing Mombasa youth and recognise the severe difficulties of starting and running a successful business, particularly compared to Nairobi where the perception was that opportunities were more abundant. Other audience members reiterated such problems by giving examples of their own frustrated efforts to embark on business initiatives that had not met with success. As well as limited networks, a key barrier identified was lack of sufficient capital to start a business.

Youth funds: Opportunities and pitfalls

The existing number of youth funds in Kenya, and specifically Mombasa, reflects government and business recognition of the problems faced by young people in harnessing funds. Such funds provide access to capital for defined business ventures, usually prioritising groups over individuals. However, youth funds have not offered an effective solution to the entrenched problem of youth unemployment. The problem is less one of availability of potential sources of funding but more one of access and affordability. Many young people in Mombasa lack financial literacy skills and do not have bank accounts. The National Youth Enterprise Fund, in particular, was criticized for 'acting like a bank with exorbitant interest rates of 20 per cent' for loans. Only around KES 250 million (USD 2.5 million) out of a potential KES 1 billion (USD 9.6 million) has been distributed so far. .

Several audience members raised the concern that young people at the coast are locked out of land ownership, either within the family, where access was inhibited by parental ownership, or due to historical injustices. As land ownership is a potential key asset, either for use as collateral or for investment in agri-business, the county government representative was directly challenged to tackle this issue.

On partnerships: Communities and business

There is a major communication gap between Mombasa's youth and the public or private organisations that could be crucial to their futures. Several representatives were present from organisations involved in training youth communities, seeking to improve youth prospects or partnering with businesses to provide youth with work experience or job opportunities.

The initiatives offer clear opportunities but face a challenge in gaining the trust of young people, as well as that of businesses. As the county government representative conceded, young people have become used to interventions that involve little more than a seminar with refreshments and t-shirts but without implementation or practical follow-up. Comments from the audience suggested a need for civil society organizations to spend

more time understanding youth's problems 'on the ground', rather than speaking from 'ivory towers' as in such forums. Lack of youth engagement in policy design was also a criticism made of the county government.

The private sector's 'fear' of the youth with regard to their lack of experience made clear the

vital place for programmes that reduce risk for employers. These can connect both with Mombasa business organizations and with young people who have shown a willingness to engage and learn or to be trained under well-respected programmes that can lead to direct employment opportunities.



Credits

'Big Barrier: Youth Unemployment at the coast' is the record of an event held on 8 December 2016 by the Rift Valley Forum in partnership with Adam Smith International and the Kuza Project. It is available for free download from www.riftvalley.net. Cover image © Amina Abdulkadir.

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