International Journal of Allied Research in Economics

Volume.10, Number 2;March-April, 2023; ISSN: 2836-7995 | Impact Factor: 5.93

 $\underline{https://zapjournals.com/Journals/index.php/ijare}$

Published By: Zendo Academic Publishing

YOUTH EMPLOYMENT IN SOMALIA: NAVIGATING THE CHALLENGES OF GRADUATE UNEMPLOYMENT

Abukar Mohamed Ahmed¹, Fatima Abdi Hassan², Mohamed Abdirahman Ali³

Article Info

Keywords: graduate unemployment, Somalia, youth unemployment, poverty, crime, social unrest

Abstract

Graduate unemployment is a serious problem in many countries, and Somalia is no exception. The country has an estimated youth unemployment rate of over 70%, which is one of the highest in the world. This problem has a number of negative consequences, including poverty, crime, and social unrest.

The causes of graduate unemployment in Somalia are complex and include factors such as the lack of a strong economy, the poor quality of education, and the lack of opportunities for young people. There are a number of potential solutions to this problem, including increasing investment in education and job creation, and providing training and skills development programs for young people.

1. Introduction

In the contemporary global world, the up-shoot of graduate unemployment has become an all reaching concern. It is a challenge that most economies are facing under the current economic circumstances(Ngigi & Ampofo, 2016). Even the developed nations have not shown exception to this frightful social problem, although the upsurge is more pronounced in the developing countries (Longe, 2017). In Africa and Somalia in particular, graduate unemployment is a very daunting challenge in the labor market.

Young people in Somalia are not just the future of the country, they are also the majority. Over 70 percent of the population are at their youth bracket ages(Borino & Sage, 2019). Graduate Unemployment in Somalia, has become one of the most serious socio-economic problems confronting the country which could also form basis of the violent crimes and the unending social difficulties(Ajufo, 2013). The magnitude of this can be appreciated if accurate statistics could be obtained from the National Bureau of Statistics on the number of unemployed youths roaming the streets of cities and rural areas; and the exact number of graduates who enter the labor market every

¹ Faculty of Economics and Social Sciences, East Africa University Garowe Campus

² Puntland Ministry of Planning, Economic Development and International Coorperation

³ Somali Institute for Development Research and Analysis (SIDRA)

year. However, Somalia's youth unemployment is reported to be over 70%, resulting in persistently high levels of poverty, increased militancy, dangerous migration, violent crimes, kidnappings, restiveness and socially delinquent behavior (HIPS, 2020).

According to Muturi & Samantar (2019), of all the problems facing developing countries in recent time, none is as virulent, persistent and agonizing as the problems of high unemployment among graduates. As Durotoye (2014) put it, rampant unemployment of university graduates is not only a disincentive to schooling, but could also be recipe for social unrest, if not checked.

With flood of unemployed graduates, Somalia as a country will continue to be a disoriented nation, if she cannot effectively apprehend this social ordeal, which requires deliberate policies of government to arrest. Some emerging economies like South Korea, Thailand, Israel, and Brazil amongst others have successfully taken decisive and bold actions to ameliorate the enigma of graduate unemployment by creating jobs for their trained graduates (Longe, 2017).

Despite the growth in the graduate labor force, graduate unemployment in Somalia appears to be rising together with the overall unemployment rate (Longe, 2017). Although various studies have been able to analyze the graduate unemployment situation in many parts of the world, there appear to be some gaps in the literature. Most of the solutions to graduate unemployment are centered on education, whilst education is not the only cause of graduate unemployment (Oluwajodu et al., 2015).

As a result, other problems and solutions to graduate unemployment need to be explored. Not many studies have been conducted recently on graduate unemployment in Somalia, keeping researchers and policymakers uninformed. This study on graduate unemployment, therefore, explored other possible causes of graduate unemployment, its socio-economic consequences and solutions.

The study was guided by the following objectives; (i) to examine the causes of unemployment among university graduates in Somalia, (ii) to examine the socio-economic consequences of graduate unemployment in the country, and (iii) to put forward policy recommendations to unemployment of graduates in Somalia.

2. Methodology

This study was conducted using survey research design. Participants for the research study were 216 selected through convenient and purposive sampling techniques. The sample size consisted of unemployed graduates, recently employed graduates, human resource managers, administration of local universities and officials from the government. The demographic information was collected from the participants using close ended questionnaires structured on fixed alternative and 5 Likert scale. All the administered questionnaires were applicably filled, and fit for analysis, implying 100% response rate.

Data collected was coded and analyzed using SPSS statistical software. For the purpose of analysis, the data was divided into three main sections. The first section was about demographic data, the second section was the analysis of the outcome of the study of each of the three objectives, and the last part is testing the association between the demographic characteristics and the outcome of the study. The first and second section was analyzed by using descriptive analysis while the third section was analyzed by applying univariate and multivariate logistic regression.

Preparing to answer the research questions, pre-testing of items was done using the reliability test. Cronbach's Alpha tests were carried out which yielded 0.76 level significance which considers the study researchable.

3. Findings and Discussion of Results

This section presents the analysis and discussion of the findings got from the administered questionnaires. It contains the demographic characteristics of the respondents, causes of graduate unemployment in Somalia, socio-

economic consequences of graduate unemployment, possible solutions for the graduate unemployment in Somalia, and the association of socio-demographic characteristics and graduate unemployment.

3.1 Demographic Characteristics of the respondents

Table 1. Demographic Characteristics of the respondents

Variable	Values	Frequency	Percentage %
C - 1 C 1 4 -	Male	128	59.3
Gender of respondents	Female	88	40.7
	21 - 25	148	68.5
Age of respondents	26 - 30	60	27.8
	31 - 35	8	3.7
	Single	176	81.5
Marital Status of respondents	Married	32	14.8
	Divorced	8	3.7
	Diploma	12	5.6
Highest Academic Qualification	Bachelors	152	70.4
	Masters	52	24.1
	Humanities and Social Sciences	48	22.2
	Business and Management	60	27.8
Which academic stream did you		60	27.8
graduate from?	Engineering	12	5.6
	Sharia or Islamic Studies	8	3.7
	Information Technology	16	7.4
	Somalia	168	77.8
	Uganda	24	11.1
Which country did you graduate	Turkey	12	5.6
from?	Ethiopia	4	1.9
	Kenya	4	1.9
	Sudan	4	1.9
	Unemployed	72	33.3
	Self employed	36	16.7
State of employment	Working with institutions like education centers, government.	88	40.7
	other	20	9.3
	Less than one year	92	42.6
If employed, how many years were	1 - 2 years	104	48.1
in between your graduation and your first job offer	3 - 5 years	12	5.6
inst job oner	More than 5 years	8	3.7

Of the 216 respondents of this study, 59.3% were males compared to 40.7% of female respondents. This demonstrates the fact that male gender dominates the labor market. Based on age, the assumption could be made that many people graduate in the age bracket 21 to 25, while the majority of these are singles representing a total

of 81.5%. It is significant to note that all the respondents possessed higher education and various professional qualifications, an indication of the setting where the research was conducted with the Bachelor's Degree holders being the most at 70.4%.

There was no significant difference in the countries where these respondents have graduated from with the highest number graduating from local universities (77.8%) followed by Uganda (11.1%), Turkey (5.6%) and the rest coming from Kenya, Ethiopia and Sudan. This is a true indication that the labor market of Somalia hosts graduates from local universities, different parts of Africa and beyond which sorts the competition tiff. The highest concentration of respondents graduated from Business courses (27.8%) and Health Science (27.8%) followed by graduates of Social Sciences and Humanities who make a percentage of 22.2 while the rest completed IT, Engineering and Islamic Studies making 7.4%, 5.6% and 3.7% respectively.

The tough competition in the labor market makes it hard for graduates to find descent jobs in short time with the majority securing their first offer in 1-2 years. 40.7% of those who are employed find jobs in government and private institutions while the rest opt for exploring self-owned ventures.

3.2 Causes of Graduate Unemployment in Somalia

Data presented in Table 2 below showed the responses of participants on causes of graduate unemployment in Somalia. The findings of the score values were derived from the Likert numerical scale of 1-5 (strongly agree to strongly disagree).

Table 2. Causes of Graduate Unemployment in Somalia

Causes	Strongly Agree	Agree	Neutral	Disagree
Poor political governance and undiversified of the	84	104	24	4
nation's economy	38.9	48.1	11.1	1.9
Lack of awareness on the latest developments and	92	68	40	16
applicable skills in the labor market	42.6	31.5	18.5	7.4
Large scale corruption and misdirection of nation's	120	80	12	4
resources	55.6	37	5.6	1.9
Misalignment of the educational system output	52	72	48	44
	24.1	33.3	22.2	20.4
Sub-optimal quality of graduates' themselves	40	84	64	28
	18.5	38.9	29.6	13
Low levels of English proficiency	68	60	40	48
	31.5	27.8	18.5	22.2
Lack of national Employment policy	92	84	24	16
	42.6	38.9	11.1	7.4
Poor quality of primary and secondary education	88	72	16	40
which does not prepare students to enter and succeed in further higher learning	40.7	33.3	7.4	18.5
Graduates' unrealistically high expectations (high	48	88	44	36
pay)	22.2	40.7	20.4	16.7

From the analysis, more than three-quarters, that is, (78%) of the respondents agreed in both strong and mild terms that poor political governance and non-diversification of the nation's economy were part of the contributory

factors to graduate unemployment. 11.1% of the respondents however disagreed in a mild term while a negligible few (1.9%) of the total respondents were indecisive.

A significant finding of the majority of respondents (74.1%) agreed in both strong and mild terms that the lack of awareness on the latest developments and applicable skills in the labor market is related to graduate unemployment. This confirms the findings of Oluwajodu et al. (2015) who argued that graduates should not be entirely blamed for the unemployment condition and that graduates, employers, government and universities are all involved since graduates are more academically oriented and lack awareness of the latest developments and applicable skills.

An overwhelming majority of the respondents 55.6% and 37% strongly agreed and mildly agreed respectively that large scale corruption and misdirection of nation's resources construct a strong causal element of graduate-unemployment in Somalia. This confirms the previous research findings of(Dalmar et al., 2017; OwusuAnsah & Poku, 2012), who consequently reported that large scale corruption remains unabated, stagnating and retarding economic development with negative spill-over effects on the economies of most of the developing nations.

On the same line, 18.5% and 38.9% of respondents agreed on strong and mild terms thatsub-optimal quality of graduates' themselves contributes largely on graduate's unemployment situation in the country. They demonstrated that most of the graduates did not build enough capacity while in school. Similar findings have been produced by previous researchers Ajufo(2013) & Oluwajodu et al. (2015) who showed that employers require certain skills such as leadership skills, soft skills, management skills and cultural fit. A graduate without these skills might therefore not be employed since employers do not regard university-based skills as sufficient in the working world. However, a significant number of respondents (20.4%) disagreed this notion, though, their stand may not be able to translate into the real world.

Low levels of English proficiency is also said to be a significant cause of graduate unemployment in Somalia. A surprising figure of 42.6% and 38.9% of the respondents strongly agreed and mildly ticked respectively that English is perhaps a main reason why graduates fail to secure a job. Though, the majority had English as their medium of instruction during college, graduates lack confidence in communicating English during interviews which results a decline in opportunities. Lack of English proficiency also negatively affects the probability of securing a job with foreigners or International organizations whose medium of communication solely customize, English (Oluwajodu et al., 2015).

The study also found out that poor quality of primary and secondary education which does not prepare students to enter and succeed in higher learning contributes to the alarming graduate unemployment in the country. After completion of secondary education, students do not possess adequate writing, mathematical and communication skills to perform at university level which adversely affects the excellence of students in higher education. This in conformity with the research findings of (Muturi & Samantar, 2019).

Finally, graduates' unrealistic high expectations in terms of remuneration is found out to be a contributing factor of graduate unemployment. 22.2% and 40.8% of respondents strongly agreed and mildly supported this cause respectively. This is in contradiction with the findings of Oluwajodu et al. (2015) who found out that graduates only expect what the industry offers. However, the study confirms the argument of Sirat and Shuib (2012) who reported that high expectations of graduates hinder them from gaining employment.

3.3 Socio-economic Consequences of Graduate Employment in Somalia

Examining the economic consequences of graduate unemployment, data presented in Table 3 below shows that GU erodes human capital and creates underutilization of labor resources where it has the highest mean score value of 2.24 (sd = .96) and decreases economic welfare and quality of living with mean score value of 2.01 (sd = .99).

Graduate unemployment reduces drastically the attraction of foreign investors and foreign direct investment with mean value of 2.20 (sd=1.00); increases the cost of doing business for the private sector and provision of public services with mean score value of 2.20 (sd=1.01); reduces gross domestic product with mean score value of 2.01(sd=1.01).

Furthermore, on social consequences, graduate unemployment creates perpetual unhappiness to the affected individuals with mean score value of 2.01(sd=1.06), increases violence, crime, drug abuse and political instability with mean score value of 1.68(sd=.96), and finally, Increases psychological problems of frustration, depression, hostility, abduction, murder, and armed robbery with mean score value of 1.75 (sd=1.03).

Table 3. Socio-economic Consequences of Graduate Employment in Somalia

Consequences	N	Mean	Min	Max	Std. Deviation	Skewness	Kurtosis
Decreases economic welfare and quality of living	216	2.0185	1.00	4.00	0.99283	0.653	-0.633
Attraction of foreign investors and foreign direct investment will be drastically reduced	216	2.2037	1.00	4.00	1.00934	0.568	-0.721
Increases the cost of doing business for the private sector and providing public services	216	2.2037	1.00	4.00	1.00934	0.568	-0.721
It reduces gross domestic product.	216	2.0185	1.00	4.00	1.01139	0.725	-0.557
Erodes human capital and creates underutilization of labor resources	216	2.2407	1.00	4.00	0.96323	0.383	-0.777
Creates perpetual unhappiness to the affected individuals	216	2.0185	1.00	4.00	1.06515	0.616	-0.933
Increases violence, crime, drug abuse and political instability	216	1.6852	1.00	4.00	0.96109	1.429	1.040
Increases psychological problems of frustration, depression, hostility, abduction, murder, armed robbery	216	1.7593	1.00	5.00	1.03762	1.404	1.136

3.4 Possible solutions of Graduate Employment in Somalia

Table 3: Showing responses for possible solutions of graduate unemployment

Possible solution	Strongly Agree	Agree	Neutral	Disagree
Need for government's policy linking education to world of work and developing university curricula content in line with labor demand		33.3	7.4	3.7
Universities should engage in concrete partnership with employers of labor to develop a demand driven curriculum		42.6	13	5.6
There is need for career guidance to address the mismatch between the needs of the labor market and the products of the educational institutions		40.7	9.3	9.3

Rectification of the imbalance between rapid economic growth and slow transformation of the nation's economy	25.9	42.6	24.1	7.4
Promotion of fair recruitment through a mass fight of corruption	46.3	40.7	1.9	11.1
Enforcement of accountability and transparency in corporate and national governance.	51.9	37	5.6	5.6
Governance of areas of enrolment to promote fields with job opportunities	31.5	42.6	18.5	7.4
Empowerment of agricultural and livestock sector and encouragement of private sector industries	66.7	25.9	3.7	3.8
Promote entrepreneurship as a strategy to create employment for youth	59.3	25.9	5.6	9.3

From the analysis, the majority of respondents (66.7%) anonymously suggested that empowerment of agricultural and livestock sector and encouragement of private sector industries is the best strategy for reducing graduate unemployment. Near to that, 59.3% of the research participants believed that the promotion of entrepreneurship is a rewarding strategy that can create employment for graduates.

An overwhelming majority of the respondents 55.6% and 51.9% respectively strongly agreed that there is need for government's policy to link education to the world of work and develop university curricula content in line with the labor demand, and, enforcement of accountability and transparency in corporate and national governance in order to increase the employment rates of graduates. These findings are in conformity with the previous research findings of Bassey & Atan (2012), Ajayi (2015), and Madoui (2015).

3.5 Association of Socio-demographic Characteristics and Graduate Unemployment

A bivariate analysis shows that gender, age group, academic discipline, marital status and level of education are associated to the unemployment status of graduates. In the multivariate analysis, only gender, age group, level of education and the academic discipline are significantly associated with the unemployment of graduates. Table 4 below shows graduate females are 7 times more likely [AOR= 7.297 (CI 3.54-15.878), P= 0.00] to be unemployed than the males, age group between 26 –35 are 75% less likely [AOR= 0.269 (0.079-0.920), p= 0.00] to be unemployed compared to the age group between 15-25, while age group between 36-45 are 9 times more likely to be unemployed compared the age group of 15- 25. It also shows that the diploma holders are 35 times more likely [AOR= 35.865, (6.377-201.720) p= 0.001] to be unemployed compared to the master holders; graduates from science courses are 2 times [AOR= 2.203 (1.064-4.560), p= 0.033] more likely to be unemployed compared to the Humanities and Arts students.

Variable	Category	Employment Status		COR (95%	Pvalue	AOR (95%	P-
		Employed	Unemployed	CI)		CI)	vale
Gender	Male	104	24	1	0.00	1	0.000
	Female	40	48	5.2 (2.823- 9.578)		7.297 (3.54 – 15.878)	
Age Group	15 - 25	88	60	1		1	
	26 - 35	52	8	0.226 (0.100- 0.509)	0.00	0.269 (0.079 - 0.920)	.036

	36 - 45	4	4	1.467(0.353- 6.093)	0.598	9.611 (1.876 - 49.236)	.007
Marital stats	Single	112	64	1			
	Married	28	4	0.250 (0.084 – 0.745)	0.013		
	Divorced	4	4	1.750 (0.423- 7.237)	0.440		
Level of Education	Diploma	4	8	11.00 (2.667 – 45.374)	0.001	35.865 (6.377 - 201.720)	.000
	Bachelor	96	56	3.208(1.410- 7.301)	0.005	1.695 (0.602 4.766)	.317
	Master	44	8	1		1	
Country of graduation	Abroad	36	12	0.600 (0.290 – 1.240)	0.168		
	Local	108	60	1			
Discipline	Arts	88	28	1	0.001	1	.033
	Science	52	44	2.659(1.482 – 4.773)		2.203 (1.064 4.560)	

The data presented in table 4 demonstrates that there was a gender gap of unemployment in Puntland, where female graduates are more likely to be unemployed compared to male graduates, and a study conducted in Somalia also revealed that unemployment rate of young females was higher than the males(Dalmar et al., 2017). Another study conducted in Somalia by Muturi & Samantar (2019)reported that the reason as to why females are unemployed was due to the cultural limits and social norms which avert them to acquire skills needed in the market.

Although it was estimated that 70% of Somalia's population is youth, unfortunately, the study found out that graduates aged between 15-35 face higher levels of unemployment as is the case with the ordinary. This finding supports the previous findings of (Dalmar et al., 2017).

The study also found out that graduates of science courses are more likely to be unemployed compared to their counterpart of Arts and Humanities. Graduates from Arts related disciplines are most likely equipped with excellent communication, interpersonal skills and have the ability to present effective debates and negotiations (Kakooza et al., 2019). This may be the reason as to why they are offered with more opportunities to enter into the job market.Pauw et al., (2006) and Anderberg et al., (2016) supported this finding where they reported that the art related graduates have high employment rates compared to the graduates of science related disciplines. Contrary to this, Matandare(2018) and Van Broekhuizen(2016) found otherwise.

The study also revealed that the unemployment rate was much higher with diploma holders compared to postgraduate degree holders. This confirms the findings of (Van Der Berg & Van Broekhuizen, 2012)who found that postgraduate degree holders have higher chances of getting employed compared to the diploma holders.

4. Conclusion and Recommandations

This study has emphasized that graduate unemployment is one of the most critical problems facing contemporary Somalia. As such, the nation cannot reasonably expect to achieve its developmental agenda if it cannot effectively put to productive use the large number of graduates, who every year, enter the labor market. The study unearthed the main underpinning elements responsible for the rising profile of graduate unemployment and established that

graduate unemployment impacted dreadfully and negatively both the economy and the society. From the findings of this study, the following recommendations could be put forward.

High priority must be accorded to the development of agriculture, and livestock sector. Encouragement of private sector industries should also be prioritized. Government must undertake an effective reappraisal of her various public policies and programs designed to generate adequate economic opportunities capable of creating jobs for the unemployed graduates. Entrepreneurship should also be promoted as a strategy to create employment for youth. Effective partnership between industry and university must be put in place to develop curriculum for employment fulfillment and market suitability. There should also be enforcement of accountability and transparency in corporate and national governance. Graduates need also career guidance to address the mismatch between the needs of the labor market and the products of the educational institutions.

References

- Ajufo, B. (2013). Challenges of Youth Unemployment in Nigeria: Effective Career Guidance as a Panacea. African Research Review, 7(1), 307–321. https://doi.org/10.4314/afrrev.v7i1.21
- Anderberg, D., Rainer, H., Wadsworth, J., & Wilson, T. (2016). Unemployment and Domestic Violence: Theory and Evidence. Economic Journal, 126(597), 1947–1979. https://doi.org/10.1111/ecoj.12246 Borino, F., & Sage, C. (2019). Employment programs and conflict in Somalia. 51.
- Dalmar, M. S., Ali, A. Y. S., & Ali, A. A. (2017). Factors Affecting Unemployment in Somalia. Journal of Economics and Sustainable Development, 8(22), 200–210. https://www.researchgate.net/publication/321432709
- Durotoye, A. (2014). The crisis of youth unemployment in the MINT countries: causes, consequences and corrections. European Journal of Business and Management, 6(24), 123–136. www.iiste.org
- Kakooza, V., Wamala, R., Wokadala, J., & Bwire, T. (2019). Do graduates from arts-related disciplines have a higher impact on unemployment than graduates from the science-related disciplines? International Journal of Higher Education, 8(4), 52–60. https://doi.org/10.5430/ijhe.v8n4p52
- Longe. (2017). Graduate Unemployment in Nigeria: Causes, Consequences and Remediable Approaches. American International Journal of Contemporary Research, 7(4), 63–73. www.aijcrnet.com
- Matandare, M. A. (2018). Botswana Unemployment Rate Trends by Gender: Relative Analysis with Upper Middle Income Southern African Countries (2000-2016). Dutch Journal of Finance and Management, 2(2). https://doi.org/10.20897/djfm/3837
- Muturi, W., & Samantar, M. S. (2019). Factors Influencing Youth Unemployment in Puntlnad State of. 6(May), 173–195.
- Ngigi, S., & Ampofo, S. Y. (2016). Usefulness of problem tree, objective tree and logical framework matrix to fix challenges of unemployment and underemployment of higher education graduates in Rwanda, Kenya and Ghana. Rwandan Journal of Education, 3(2), 63–77.
- Oluwajodu, F., Blaauw, D., Greyling, L., & Kleynhans, E. P. J. (2015). Graduate unemployment in South Africa: Perspectives from the banking sector. SA Journal of Human Resource Management, 13(1), 1–9. https://doi.org/10.4102/sajhrm.v13i1.656

- Oppong, S. & Sachs, S. (2015)., Managing Graduate Unemployment in Emerging Economies Critical Analysis of the Skill Mismatch and Over Supply Theses. JEL poslovnaizvrsnost Zagreb, God, ix, vol 1.JEL classification, May, pp125-135.
- Owusu-Ansah, W., & Poku, K. (2012). Entrepreneurship education, a panacea to graduate unemployment in Ghana. Journal of Humanities and Social Science, 2(15), 211–220. http://www.ijhssnet.com/journals/Vol 2 No 15 August 2012/26.pdf
- Pauw, K., Oosthuizen, M., & van der Westhuizen, C. (2006). Graduate unemployment in the face of skills shortages: A Labour Market Paradox, Development Policy Research Unit. In South African Journal of Economics (Vol. 76, Issue 1). http://www.dpru.uct.ac.za/sites/default/files/image_tool/images/36/DPRU WP06-114.pdf
- The Heritage Institute for Policy Studies (HIPS). (2013). The State of Higher Education in Somalia: Privatization, rapid growth, and the need for regulation. Somalia. Retrieved from http://www.heritageinstitute.org/state-of-higher-education/
- Van Broekhuizen, H. (2016). Poverty trends since the transition Graduate unemployment and Higher Education
- Institutions in South Africa Graduate unemployment and Higher Education Institutions in South Africa. Resep.Sun.Ac.Za. https://resep.sun.ac.za/wp-content/uploads/2018/07/wp-08-2016.pdf
- Van Der Berg, S., & Van Broekhuizen, H. (2012). Poverty trends since the transition Graduate unemployment in South Africa: A much exaggerated problem Graduate unemployment in South Africa: A much exaggerated problem. 1–53.