

EXPLORING URBAN YOUTH UNEMPLOYMENT IN ZIMBABWE Mufakose and Mbare Residential Areas in Harare

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Case Study
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SYNOPSIS

From 1980, urban unemployment in Zimbabwe has been on the increase, notably among youth, in a shrinking economy and productive base. In 2010, urban youth unemployment reached 42 percent of the urban unemployed, among the highest on the continent. This case study draws on data from primary sources that include interviews, focus group discussions, and observations, and a review of secondary sources. It particularly investigates how youth unemployment has been influenced and affected by trading, using a basket of foreign currencies, especially the United States Dollar, the Botswana Pula, and the South African Rand.

Key findings: Zimbabwe's urban unemployment is mainly due to a mix of political and economic events over two decades. It has evolved in response to these events, which have been disastrous on youth and the country.

Main lessons: Addressing urban youth unemployment calls for a multisector approach, political leadership, and innovative strategies.

Key recommendations: The government should review its national youth employment policy to address the causes and nature of youth unemployment. It needs to integrate efforts (by itself and civil society organizations). Transparency in job processes, capacity building for youth and government, and entrepreneurial approaches should be central to such efforts.

Introduction

Unemployment in Sub-Saharan Africa is a major challenge retarding economic growth and perpetuating poverty. The attainment of independence in Zimbabwe in 1980 led to the removal of restrictive laws that had limited the migration of people from rural to urban areas. Although the economy was relatively stable in 1980, the subsequent influx of rural migrants into urban areas tilted the ratio between jobs and job seekers, with the latter surpassing the former. Most migrants were youth who had never earned through waged labor.

Using a case study of youth in Mufakose and Mbare high-density areas in Harare, this paper characterizes the size, causes, and consequences

of urban youth unemployment to draw appropriate lessons and formulate policy recommendations. It particularly investigates how youth unemployment has been influenced and affected by trading, using a basket of foreign currencies, especially the United States Dollar, the Botswana Pula, and the South African Rand.

Conceptualizing a multicurrency economy

A multicurrency economy is one that uses a range of currencies. In Zimbabwe, the major currencies used since February 2009 include the United States Dollar (which originally brought the concept of dollarization), Botswana Pula, South African Rand, Euro, and British Pound. The use of multiple currencies comes into effect when the

local currency of a country (the Zimbabwe Dollar) is abandoned due to high inflation. The local currency is then replaced by multiple currencies making such currencies legal tender.

In Zimbabwe, the United States Dollar dominates and runs as the default official currency. Hence, it is common to talk of a dollarized Zimbabwean economy loosely to imply the use of multiple currencies.

There are also regional dimensions of dollarization in Zimbabwe, in which the province of Matabeleland is dominated by the Rand. The scope of this case study is therefore situated in the new lease on life that was provided by the dollarized economy.

Youth unemployment in Zimbabwe

Globally, youth constitute 43.7 percent of the total unemployed people (ILO 2010). In Sub-Saharan Africa, about 60 percent of those unemployed are youth (ILO 2010). The 1995 Zimbabwe Poverty Assessment study (Government of Zimbabwe 1996) showed that youth have the highest unemployment rate among all the age groups in Zimbabwe. According to the Zimbabwe National Statistics Agency Report of 2014, the rate of unemployment in the country was 11.3 percent in 2013, up from 4.8 percent in 2011. This has been fiercely contested however by civic organizations such as NANGO, which claimed in its 2015 report that formal unemployment stood at 95 percent, with youth constituting 68 percent of the unemployed. The expansion of the informal sector in Zimbabwe has been a response to the shrinking opportunities in the formal sector.

Causes of unemployment

The causes of urban youth unemployment are multifaceted. The major cause of unemployment in Zimbabwe is the continuous shrinking of the economy and the subsequent closure of many companies. One key informant indicated that there has been a series of challenges faced by the

Zimbabwean economy from 1990 to the period of dollarization. The political climate was cited as the major source of many ills characterizing the economy. Companies in the country were working at low capacity, reducing their labor needs, including among youth.

Since independence, rural to urban migration (dominated by youth) has been on the rise, creating a lot of pressure on jobs in urban areas and leading to high urban youth unemployment.

In an economy that suffered nearly two decades of a downward spiral, jobs in the productive sector especially shrank hugely. One key informant stated that there was a new form of migration that was causing severe pressure on the few jobs in urban areas: returning migrants. These had left the country at the height of the economic and political crisis in 2000–2008 and came back hoping to exploit the dollarized economy. Yet these migrants also found themselves unemployed as the economic recovery in Zimbabwe failed to take off at the speed anticipated. Most of these migrants were youth who had migrated to South Africa and Botswana. As noted by Raftopoulos (2013), 3 million Zimbabweans left at the height of the economic meltdown, mainly young people.

A key informant from Mbare pointed out that as the economy was dollarized, many companies had to restructure to reconfigure themselves. This included retrenching workers as companies attempted to cut costs. This compounded urban youth unemployment. Many of the restructuring exercises by companies meant that the already unemployed youth in Mufakose and Mbare, those migrating to Mufakose and Mbare from rural areas, and those returning migrants found themselves joining a very long list of job seekers against the background of dwindling job prospects.

Respondent 1 from Mufakose indicated that he had been retrenched from the company he worked at for five years. Respondent 2, also from Mufakose, indicated that she had been

retrenched from the bank that she worked for three years after being told that what she was doing had become irrelevant at the dawn of a dollarized economy in late 2009. She had been employed as a check processing officer within a local bank and the introduction of a multicurrency system made this office irrelevant as people were no longer using checks.

The other main cause of urban youth unemployment identified in the interviews was the high literacy rate in Zimbabwe coupled with an explosion of institutions of tertiary education that were producing very large numbers of graduates each year. The country has 18 universities and 10 polytechnics that produce over 16,000 job seekers each year. This creates competition among job seekers.

Key informant B from Mufakose noted that many new graduates were failing to break into the job market as they were competing with very experienced job seekers. In response to the availability of candidates with experience, employers have as a result raised the minimum standards of workers they recruit. Respondent 2 had the following to say:

"I am a graduate from the local university and each time I apply for a job, I am told that we only take people with at least five years of experience. How then can I be employed if all employers want people with five years of experience? It is obvious that when one is coming from the University he/she does not have experience. Employers should understand that unless they give us the jobs, there is no way we can be experienced. The government should do something to stop this unfair practice."

Like Respondent 2, many graduates from tertiary institutions were finding it tough to find a job for lack of experience. In addition, the government has stopped recruiting people into the civil service. Key informant C from Mbare indicated that the government is the main employer in the country and its closing the door this way is a blow

to young people. The government stopped employing people in 2010 citing lack of capacity to employ.

Respondent 3 from Mufakose said:

"From the time we adopted the multicurrency system in Zimbabwe, the Ministry of Finance has implemented a cash budgeting approach. This simply means that we cannot spend that which we do not have. This has constrained any further expansion of the civil service because any expansion must be complemented with an increase in the revenue collected. This has forced the government to stop recruiting new employees even though there are some vacancies in the civil service."

In the past, many youths were absorbed into the civil service in areas like the military, police, education, and the health sector after finishing their tertiary studies or even high school. Once the government stopped employing people, urban youth unemployment worsened.

Respondents further indicated that the political volatility characterizing the country was breeding a corrupt environment in which patronage won the day. Some respondents said that they had stopped looking for jobs because they did not have anyone to help them get one. Political polarization in Zimbabwe, which intensified during the Government of National Unity, was said by respondents to have created a system that rewarded people based on political affiliation. Some indicated that the two major parties in the Government of National Unity—the Zimbabwe African National Union—Patriotic Front (ZANU PF), and the Movement for Democratic Change—were controlling key sectors of the economy and used that control for political mileage.

Respondent 4 from Mbare added:

"I am a university graduate holding a bachelor's degree in Physics and I went for some interviews to become a pilot in the air force. I was successful in all the entrance tests and I thought that I had gotten the training opportunity. I was only turned

down after they had discovered that I was an active member in student politics during my university time and that I was aligned to the Movement for Democratic Change party during those days."

Respondent 5 from Mufakose backed this up:

"I am a holder of a master's degree in International relations from a South African University through the presidential scholarship. I had almost obtained a job to become a personal assistant to a cabinet minister. I lost the job after they had discovered that I was under the presidential scholarship and they concluded that I was aligned to the ZANU PF."

Patronage and corruption in the job market were dominating hence disadvantaging a lot of youths seeking jobs. Respondent 6 from Mbare said "It's now more of who you know than what you know." Those youths who come from rural areas find themselves with little or no social network, and so remain unemployed.

Nature of urban youth unemployment in Mufakose and Mbare

Different forms of unemployment among the urban youth in Zimbabwe were identified in this Mufakose and Mbare case study. The majority are young men and women who finish secondary school but fail to continue with their education. They are expected to be independent economically, but lack job opportunities. A theme in the focus group discussion in Mbare was that most of the unemployed youth do not have the skills needed by the labor market and so must compete for unskilled jobs—also scarce.

A form of underemployment was engagement in the informal sector to eke out a living—most participants in one focus group considered themselves underemployed even if they were somehow economically engaged. Because of the scarcity of jobs in Zimbabwe, young people were taking anything, even though it was not what they

went to school for. Such underemployment is common. Respondent 8 from Mufakose said that even though academic qualifications were considered an added advantage, the situation was so bad that one ended up taking anything offered. Some respondents stated that they did not have relatives in the city center and had migrated from rural areas to explore better economic prospects. Their failure to join the formal sector made them engage in activities like vending and touting.

The dollarized economy has brought mixed fortunes for urban youth. Some respondents indicated that they were flushed out of informal sector activities, such as foreign currency changing in the streets. One respondent said:

"I had a well-paying job in the form of changing foreign currency in the streets during the Zimbabwean dollar era. All this changed after the adoption of the United States Dollar and all the cars I had bought are now being used as taxis in the city. I cannot consider myself employed at the moment but I am trying to survive with the little resources that I have."

Another form of unemployment was among the returning migrants from South Africa and Botswana who were displaced by those who had remained in the country at the height of the economic crisis. Yet another was among university graduates who failed to penetrate the job market. Such people indicated that they end up furthering their studies hoping to improve their marketability.

A new form of unemployment among the youths was one affecting newly trained nurses. One trained nurse interviewed indicated that she had gone through the general nursing diploma sponsored by the government and on completion was jobless. The government, as the funder of training programs, was said to have withheld the certificates of such graduates arguing that they needed to be bonded in the country. Respondent 10 from Mufakose stated:

"I was trained by one local hospital and upon completion I thought that I would get deployed in any hospital in the country but this did not happen. I now have eight months doing nothing because my certificate is with the Ministry of Health and Child Welfare and will only be released after I have served in the country for at least three years. This does not make any sense to me because there are no deployments being done in the ministry and we are not allowed to look for a job outside the country."

Effects of urban youth unemployment in Mufakose and Mbare

Urban youth unemployment has varied effects, often determined by the employment status of parents, level of education of the youth, presence of any unemployed family member, and the youth's sex.

Youths with gainfully employed parents pointed out that they were not suffering direct effects of their plight as they were getting accommodation and other basic needs but were feeling the effects of unemployment in other ways. Those who did not have employed parents noted serious challenges in meeting basic needs. According to Respondent 11 from Mbare:

"I have neither parents nor relatives in the city centre and I have to provide for all my basic needs. Accommodation that I am staying currently is for a friend and my life is very difficult because I do not have any help from family.

And from Respondent 12 from Mufakose:

"My parents are employed and I am currently depending on them since I am not employed. Even though I get their support I now feel that they have done a lot in my life. I went to school and I hold a degree in psychology but I cannot find a job. I feel like I am burdening my parents because they have done all that parents can do to empower a child but still I am a dependent."

Another effect was social stagnation. As people become adults, they are expected to graduate into, for example, marriage, a struggle for unemployed young men because of their lack of capacity to support a family. Respondent 13 from Mbare asked:

"How can I marry if I cannot support myself? Marrying requires me to be responsible enough to support myself as well as the wife and children. This cannot happen if I am unemployed. Most youths are shunning marriage because they cannot shoulder the responsibility of supporting a family."

Young women were also entering early marriages because they were seeking economic refuge in men. According to the focus group discussion, unemployment among young women was a key driver behind early marriages.

"I have an elder brother who is employed and he has three siblings to take care of and his wife and children. My brother sacrifices his marriage to take care of his siblings and this has created tension in his marriage. I feel like all the burden of the family is on him now and this has also created tension between me and my brother's wife. I am then under a lot of pressure to get employment to help my elder brother to take care of the family."

High unemployment among urban youth has economic costs on the overall economy. Key informant C from Mbare indicated that the country is losing a lot of income in terms of revenue that could have been collected from employed youths. This is compounded by untapped labor among youths.

The country has suffered from brain drain over the past two decades and has acted as the training ground for other countries in the region and beyond. Large-scale emigration is stifling efforts to resuscitate the economy.

Political violence has also been a critical factor in youth unemployment in which political elites use the unemployed youths as cannon fodder to further their political influence. Youths are being

manipulated by the political elites to form gangs that are used during campaigns to terrorize people.

Another effect is crime and an increase in anti-social activities. Most young people excluded from the job market find other means to meet their needs. This was indicated as the main cause of high crime rates in Mbare and Mufakose. Crime in these two areas is so high because many youths do not have anything to do. One respondent indicated that drug abuse is rampant among youths. Respondent 15 added:

"How do you expect us to refrain from drug abuse? This is the only way we can forget about our problems. We do not have jobs and it's a reality that we must deal with on a daily basis. Most of the youths resort to the use of drugs because we feel like no one cares about our plight."

Women also engage in activities like prostitution to earn income.

The youths face a bleak future. As Respondent 16 from Mbare put it:

"Youth are facing a bleak future because of the poor job prospects in the country. This has led to the youths diverting their focus from the future. Whoever does not consider the future tends to abuse the present and this is exactly what many of the urban youths are doing. This destroys the future of the country."

Intervention by state and non-state actors

There are various state and non-state interventions being implemented to address urban youth unemployment. Key informant E from Mufakose indicated that the government created a Youth Fund that helps to stimulate job creation as well as empowering the youth through the provision of some long-term loans. This fund is being coordinated by three local banks: Commercial Bank of Zimbabwe (CBZ), Central Africa Building Society (CABS), and Stanbic Bank.

These banks were said to have pooled resources into the Youth Fund and this money is disbursed to the urban youths for them to start income generating projects. CBZ, in which the government is a shareholder, contributed US\$1 million and this money comes directly from the fiscus but is managed by CBZ. From that amount, youths are given a maximum of \$2,000 to start a project, to be repaid in two years with an interest of 15 percent a year. CABS reserved US\$10 million for the Youth Fund and disburses loans of \$5,000 as maximum repayable over two years with 15 percent interest a year. Stanbic reserved US\$20 million for the Youth Fund and applications from youths are approved on merit. There is no ceiling on the amount of these loans.

Another key informant elaborated that the government had realized that stimulating jobs in the industry was proving to be a mammoth task. Hence, the government resorted to empowering the youth through opening vocational training centers. Youths were being asked to enroll for various specialties that include carpentry, welding, sawing, and agriculture. These skills are given to complement funding opportunities spearheaded by the government through the Youth Fund.

On the effectiveness of the vocational training centers, youth interviewed indicated that the main challenge that they faced was funding after completing their training.

Interviews were conducted with representatives of the Zimbabwe Youth Council (ZYC), the regulatory body of the country's youth organizations. The ZYC also plays a critical role in bridging the gap between the government and young people in the country. Its mandate is to convey youth concerns to the government and advise the government on strategies to eradicate problems faced by the youths. There have been some programs initiated by the ZYC to reduce youth unemployment through empowering them economically. Respondent 17 from Mbare

indicated that the ZYC was trying to include youths in the country's indigenization program.

Respondent 18 from Mufakose referred to a group called Upfumi Kuvadiki ("wealth to the young ones") as a youth group created to generate opportunities. However, Respondent 19 from Mufakose pointed out that such groups are political groups created to further the interests of the political elites. Membership in such associations entailed political affiliation to ZANU PF. Such groups are used by the elites in ZANU PF to grab shares in foreign companies under the disguise of empowering youths.

Conclusions and recommendations

Conclusions

The major cause of urban youth unemployment that this case study revealed is excessive rural to urban migration, mainly by youths against the background of a shrinking economy from 1980 to the present era. The government's lack of capacity to employ newly qualified youth is another key driver.

Political patronage thrives in Zimbabwe and this has adverse effects on the prospects of youth to secure employment.

The nature of urban youth unemployment varies and include those who have never been engaged in any form of paid labor who are mainly school dropouts, basic school, technical institution, and university graduates. Another type of unemployment is due to retrenchment. These people lost their jobs at different eras during the many turbulent years of the country. The recent transformation from the Zimbabwean Dollar to the multicurrency system in 2009 led to the closure of many companies and the ending of many backyard economic activities that had dominated the country.

With youth marginalized economically, economic prospects are bleak. It also eliminates investment

from the few who are employed as they are left with the burden of providing for the unemployed. Unemployment leads to lower standards of living. Urban youth unemployment also leads to drug abuse, violence, and other crimes, as well as prostitution.

Recommendations

It is imperative for the government to review its national youth employment policy. It must investigate major youth challenges such as job availability and sustainability, rights to work, social protection, entrepreneurship and self-employment, education and training, and funding for projects.

There is a need to integrate the piecemeal efforts made by the government and civil society organizations. It is crucial to prioritize career guidance and offer extensive dissemination of skill requirements to curb the gap between skills produced and labor market requirements.

The government also needs to cultivate entrepreneurship education in schools and tertiary institutions to facilitate self-employment.

Finally, transparency in job processes, capacity building for youth and government, and entrepreneurial approaches should be central.

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