

For immediate release:

Windhoek – 16 December 2015 – Release of the Analysis of Youth Employment and Unemployment Report

The Namibia Statistics Agency is pleased to re-submit the Analysis of Youth Employment and Unemployment Report to the nation

ANALYSIS OF YOUTH EMPLOYMENT AND UNEMPLOYMENT REPORT

The NSA is herewith re-submitting the Analysis of the Youth Employment and Unemployment Report 2012 and 2013. As per the analysis, high rates of youth unemployment have been a prominent economic and social feature in Namibia. Hence understanding the patterns, structure and causes of youth employment and unemployment is essential for designing appropriate policy interventions. The youth unemployment rates for 2012 and 2013 remain at 37.8 and 41.7 per cent respectively. This is as per the Labor Force Surveys for 2012 and 2013 respectively. The findings of this study can be summarized in three domains: patterns of youth employment; causes of youth unemployment; and skills mismatch.

In terms of patterns of unemployment it became clear that having a high school education or higher, being married, or being between the ages of 30 – 34 years, as well as living in urban areas promoted youth employment. About half of the youth were employed in the informal sector. Transitions from spells of unemployment are uneven, with more youth absorbed into employment within a year after leaving school or in-between jobs.

With regards to youth unemployment the analysis showed that youth unemployment is systemic and correlated highly with education levels and gender. It showed location disparities and manifested elements of skills mismatch. Unemployment and inactivity were more likely to occur among youth in rural areas; younger youths between 15 – 19 years of age; as well as among the youth with no education or only with primary education.

Interestingly, on skills mismatch, incidences of over-education and under-education were evident in Namibia. The likelihood of mismatch by occupation was higher in males, but under-education was relatively higher in females. Education mismatch had negative consequences on wages. There was a wage penalty for those over-educated as opposed to under-educated. With regards to permanent jobs, it was evident that employers were correctly matching jobs with education levels.

Correcting Error the Analysis of Youth Employment and Unemployment Report

This report was retracted after release. This retraction was due to errors observed in the way the youth labour force participation rate and youth employment and unemployment rate was calculated.

How the errors were corrected:

The Youth Labour Force Participation Rate (LFPR) is defined as the proportion of the population aged 15 to 34 years that are in the Labour force or that are economically active.

It is generally calculated as follows:

$$\text{LFPR} = \frac{\text{Youth Labour force (employed + unemployed)}}{\text{Working Age Population}} \times 100$$

When calculating the LFPR for the youth, the population of the employed, unemployed and the economically inactive are all added together to form the denominator or the Working Age Population (WAP) as in the above formula.

However, the ways errors calculated from the above definition in the report is shown below.

ERRORS SHOWN

Year	Employed Youth	Unemployed Youth	Economically Inactive Youth	Working Age Total (denominator)	Youth Labour Force (Numerator)	LFPR %
2012	283,862	172,222	297,721	*	753,806	37.7
2013	294,202	210,074	262,937	*	767,214	38.3

The first error here is that the Working Age Youth Population was missing from the above table. As a result the Youth Labour Force and Youth Labour Force Participation Rates were miss-specified and miscalculated as follows using the 2012 data as an example.

$$\text{LFPR} = \frac{283\,862 \text{ (Employed Youth)}}{753\,806} \times 100$$

= 37.7%

The correct calculation should have been as follows:

ERRATA OF LFPR

Year	Employed Youth	Unemployed Youth	Economically Inactive Youth	Working Age Total Youth (denominator)	Labour Force (Numerator)	LFPR %
2012	283,862	172,222	297,721	753,806	456,085	60.5
2013	294,202	210,074	262,937	767,214	504,276	65.7

From the above table, the calculation of LFPR should have been as follows using 2012 data as an example.

$$2012 \text{ LFPR} = \frac{456\,085 \text{ (Youth Labour Force)}}{753\,806} \times 100 = 60.5\%$$

As a result of the above error, the calculation for the unemployment rates for 2012 and 2013 respectively were also wrong. This is how the error was made using 2012 data for example.


$$\text{Youth Unemployment Rate} = \frac{172\,222 \text{ (Unemployed Youth)}}{753\,806 \text{ (Working Age Youth aged 15 to 34)}} \times 100 = 22.8\%$$

Thus, the youth unemployment rate was put at 22.8% far lower than the actual youth unemployment rate for 2012.

The correct calculation should have been as follows:

$$\text{Unemployment Rate} = \frac{172\,222 \text{ (Unemployed Youth)}}{456\,085 \text{ or Labour Force}} \times 100 = 37.8\% \text{ youth unemployment rate for 2012.}$$

For the above reasons the said report was retracted immediately and is now herewith corrected.


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