

»» Solutions to youth unemployment: rural areas are just as important as cities

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The demographic structure of most developing countries is characterised by a very high percentage of young people and young adults under the age of 24 (also called the "youth bulge"). Around 90 % of young people around the world live in developing countries. The average age in Sub-Saharan Africa is only 18.3 years. Young people offer invaluable potential for societies and national economies. On the other hand, attempts to date have only managed to tap into this potential to a limited extent because the creation of productive jobs has not been able to keep pace with the flow of young people. Depending on the region, the unemployment rate of this age group is 2-3 times higher than for the rest of the population.

The traditional rural-urban migration model is becoming less and less relevant

In development economics, one central development factor has long been migration flows from rural areas to cities. According to this model, the underemployed youth in rural areas are urgently needed in the industrial sectors of cities. The differences in wages brought about by productivity are balanced out by labour migration and rural areas ultimately benefit from wage increases and a decline in poverty.

The reality, however, is more complex. Even though jobs are being created in the industrial sectors of cities, there are far fewer than needed (in part due to higher levels of digitisation and automation). The few jobs in the formal sector are often already absorbed by urban youth, whose numbers are also on the rise. Those young people who do not find jobs in the formal sector usually have to work as day labourers together with migrants from rural areas in the low-productivity informal sector with little

prospect of improvement. A highly productive modern sector coexists with a growing informal sector in which poverty remains widespread.

Problems are more evident in cities, but are not any less precarious in rural areas

The desired effect of migration to reduce poverty only occurs to a limited extent in rural areas. Even though migration eases the situation somewhat, population growth there continues to be particularly high and increases in agricultural productivity mean that fewer rather than more workers, are needed. In addition, the potential for further expansion of cropland has reached its natural limits in many cases.

As a result, the situation in rural areas is often not much different than in cities: there are no productive jobs for a growing number of young people. The problems in rural areas are often much less visible than in cities, because the traditional social networks in rural areas tend to be more intact. The young people are usually underemployed, working in the family unit. They don't live on the street and cannot be seen begging for money.

But the lack of economic prospects and the frustration of young people often translates into growing social tensions both in cities and in rural areas. It also makes young people susceptible to recruitment by criminal gangs, militias or terrorist groups.

Job creation in rural areas can play a key role in resolving the situation

Under the current circumstances, increased rural-urban migration does not lead to a solution, but only shifts (and partially also exacerbates) the problem from one place to another.

Unlike in traditional development strategies, the solution to the employment problem cannot therefore only be to promote the urban industrial sector, but must consider all possibilities for creating productive jobs in the city and in rural areas.

For rural areas, this can be reflected in the following measures:

- Qualification and vocational education in line with market requirements;
- Improved access to financial services (loans, agricultural insurance, etc.), development of new markets, such as organically certified farming also for export, cooperation with the private sector, etc.);
- More use of the potential of digitisation as an innovation driver for new sales channels and agricultural management;
- Improvement in the infrastructure to boost the appeal and efficiency of the locations (roads, energy supply, internet access);
- Promotion of entrepreneurship and self-employment.

The strategies for job creation in rural areas are therefore not fundamentally different than in urban areas – what is new is the realisation that rural areas also offer great potential for a solution.■