

**EFFECTS OF YOUTH UNEMPLOYMENT ON INCOME
IN CENTRAL EQUATORIA, SOUTH SUDAN**

BY

DENG JOHN AYACH

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REQUIREMENTS OF MASTERS OF ARTS IN ECONOMICS.**

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DECLARATION

I Deng John Ayach hereby declare to the best of my knowledge that this work is original and it has never been submitted to any institution for the award of any academic paper or degree.

Candidate's Name: Deng John Ayach

REG. NO: X50/79538/2015

Signature..... Date.....

APPROVAL

This is to certify that this research proposal has been submitted for examination with my full approval as university supervisor.

Supervisor's Name: Dr. S. M. Nyandemo

Signature..... Date.....

DEDICATION

I dedicate this research proposal to my beloved parents especially my mother **Angeth Thon Maketh** and my uncle **Lual Deng Awan** for their financial support and moral support they have offered to me.

I am also dedicating this work to my brothers and sisters (Majok Ayach, Awan Ayach, Ayen Ayach and Adit Ayach).

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In the first place thank be to God, the giver of life for kindness he has accorded to me throughout my academic undertaking.

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ABBREVIATIONS AND ACRONYMS

AERC	African economic Research consortium
AFDB	African Development Bank
CBOSS	Central Bank of South Sudan
CE	Central Equatoria State
CSOs	Civil Society Organisations
EAC	East African Community
FDIs	Foreign Direct Investments
GDP	Gross Domestic Product
GNP	Gross National Product
HIV/AIDS	Human Immune Virus/Acquire Immune Deficiency Syndromes
IFC	International Finance Cooperation
ILO	International Labor Organisation
IPS	International Population Service
JICA	Japan International Corporation Agency
KM ²	Kilo Metres Square
LDCs	less Developed Countries.
NBS	National Bureau of Statistics
NGOS	Nongovernmental Organisations
OLS	Ordinary Least Square
S5thPHC	Sudan Fifth Population and Housing Census
SSCS	South Sudan Centre for Statistic

SSNBS	South Sudan National Bureau of Statistics
TCRSS	Transitional Constitution of the Republic of South Sudan.
UN	United Nations
UNDERSEA	United Nations Department of Economic and Social Affairs.
UNDP	United Nations Development Program
UNDPSS	United Nations Development Program in south Sudan
UNEPA	Union of European Professionals Patent Representative
UNPY	United Nations Program on Youth
USA	United States of America
US AID	United States Agency for International Development
WB	World Bank

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ABSTRACT

Youth unemployment is on the rise in South Sudan as it poses huge economic challenges and it leads to unsustainable growth of the economy. The aim of this research is to investigate the effects of youth unemployment and how it affects income. The econometric model that was used in the empirical analysis is the Mincerian earnings function model. The following diagnostic tests were carried out; multicollinearity and heterocedasticity.

The study shows that youth unemployment greatly affects their contribution to the country's gross domestic product (GDP). Other factors believed to influence the income of individual are education level, age, gender, place of residence were statistically significant. Political instability is also significant as it affects the employment levels.

Similar study is necessary in exploring the cause of youth unemployment in other states in order to enable joint efforts by the government and other stakeholders to have appropriate action to curb this vice.

CHAPTER ONE: INTRODUCTION

1.1 Background

Unemployment is a situation where people are without work and actively looking for job (ILO, 2010). Sub-Sahara Africa has fastest growing youthful population in the world. Over 20 percent of its population is between 15 to 24 years. According to the ILO youth make 36 percent of the total working-age population and three out of five of Africa's unemployed are young people (ILO, 2010). It is estimated that the youth age between 15 and 25 years make up more than 60 percentage of the total population in Africa and 45 per cent in the labour force are youth. Youth as the proportion of the total population was estimated to be over 75 per cent by 2015, and this is as a result of high fertility rate and demographic momentum. It is expected that the increase in youth population would not decrease before 20 years or more.

In Africa 133 millions young people (more than 50 percent of the total youth's population) are illiterate (ILO, 2010). Many youth lack basic skills or have little and are excluded from both productive economics, social and political life. Some who had little formal education have skills irrelevant to current demand in the labour market, in situation where educational and skills requirements are increasingly needed resulting in more millions of unemployed youth. The incidence of youth unemployment in sub-Saharan Africa is estimated at 20 per cent.

South Sudan got her independence on July 9th, 2011. It borders Central Africa republic, Democratic Republic of Congo, Ethiopia, Kenya, Uganda, and Sudan. South Sudan is a landlocked country with an area of 664, 329 km² with savannah grassland and arable woodland in the centre-north and south east (Rosati 2011). There are 10 states namely. Central Equatoria (Jubek), Eastern Equatoria, Jonglei, Lakes, Western Bar El Gazal, Western Equatoria, Northern Bar El Gazal, Unity State, Upper Nile State And Warrap State (Gurtong, 2015).

South Sudan has an estimated population of 9.2 million in 2008, 4.29 million are males and 3.97 million are females (Sudan population and housing census, 2008). 51 percent of south Sudanese are under the age of 18 years and 72 percent are less than 30 years, less than 3 percent are over 64 years, (World Bank 2014) and according to the recent World Bank data; south Sudan population is estimated at 11.91 million (World Bank 2015). About 22 percent are 15 years and above mostly in the rural areas. 68 percent have never attended any formal education.

Agriculture is the major source of employment for rural population and the source of their income and livelihood for 79 percent of households living in rural areas of South Sudan. 50.6 percent of this population are considered to be living below the national poverty thresholds. Only 5 percent of the household have basic employment and can earn wages or salaries (SSCS 2010).

South Sudan's economy is fragile and under developed. The government's experience in terms of macroeconomics stability is limited. According to South Sudan national bureau of statistics (SSCS, 2012), the nominal gross domestic product (GDP) is 30.5 billion South Sudanese pounds (ssp) an equivalent of 13.2 billion Us dollars, income from oil exports account for 71 per cent of the gross domestic product (GDP). As per this measure South Sudan is considered to be among the middle-sized economies within the region.

According to the fifth Sudan population, (S5thPHC, 2008) 19 percent of the active youth population were without work, 14 percent active youth were students working and continuing with their studies. Of the inactive youth population 42 percent are in education sector and 29 percent are discouraged workers, 12.6 percent of active population are unemployed (Understanding Children Work Report 2011 p.7). The number of females out of work is higher for youth. According to United Nations Department of Economic And Social Affairs Report (UNDERSEA 2013) the number of young people entering labor market in south Sudan will increase to 300,000 by 2020.

Youth unemployment is linked to history of multiple insurgencies in South Sudan including the current war which started in 2013, insufficient labour demand, unskilled labour supply, and lack of consistent government policy, law and order, and rule of law limit the youth absorption by the labour market. Unemployment rate for youth is estimated at 40 percent according to united nation development program in south Sudan ((UNDPSS, 2012).

Youth unemployment is on the rise in South Sudan as the current war has posed huge economic challenges on the economy. Youth continue to hope for better chances in the future. (UNEPA, 2014). Youth unemployment is high in South Sudan (baseline household survey 2009). Unemployment leads to unsustainable growth of the economy, reduced number of work force absorption into the labor market, limited youth participation in production activities, retards

economic growth and encourages young people to join insurgencies like the one which started in 2013 up to date.

Jubek (central equatoria) state is one of the ten states of South Sudan. It is the centre for the government of south Sudan, NGOs, UN agencies, Diplomatic Embassies and the commercial capital. It covers an area 43, 033 km², a population of 1,526,600 million people (SSNBS, 2014). It has six counties namely: Juba, Lobomk, Mangalla, Lainyan, Wundoroba and Kajo Keji County.

The population is predominantly ethnic Bhari speaking people of Bhari, Lokoia, Lolubo, Nyangwara and Pojulu respectively. The state is where the headquarters of the government of the republic of South Sudan together with the state government and county government as well. Way back to 1972, Juba was the regional capital of the then autonomous region of southern Sudan of the republic of the Sudan. The main economic activity is agriculture mostly crop production on a subsistence scale.

Youth unemployment is on the rise in the county as most of the government, private, UN agencies and NGOS headquarters are based in juba. This attracts mostly the skilled, semi-skilled and the unskilled man power from rural areas and other states to come to the capital in search of better paid jobs. This exerted pressure on the small sized labor market in absorbing the huge labor force, thus leading to worrying unemployment situation. The growing concern of youth unemployment in juba county is evidence by the over 5000 graduates who have been looking for jobs between 2013 and 2015. Most of these stayed without work for two to three years (UNEPA 2011).

The state is currently facing a serious insecurity caused by the war that started on 15th December, 2013 and the recent one which started on the 8th July, 2016. There is also a concern from the indigenous community on the issue of land grabbing in the state. This is posing a serious challenge to the state government on how to ease this tension between the indigenous tribes and those coming from other states.

According to Sudan Population and Housing Census (2008) the unemployment rate for Juba County was at 9 percent and the labor market participation rate was at 70.1 percent in Jubek (Central Equatoria) state. Youth employment has been on the rise in jubek (central equatoria)

state due to massive migration of youth from rural areas coming to look for better pay jobs in Juba. This has posed a serious pressure on the small size public and private sector of the economy in absorbing these youth in to labor market. The youth in juba complain of foreign investors employing people from their countries, these coupled with low attitudes of some local youth towards work has led to increased levels of youth unemployment in juba since 2011 up to date (African Economic Outlook, 2012).

Unemployment has numerous consequences of equity, social stability and self-esteem, poverty eradication (African Economic Outlook 2012). The government of south Sudan has no definite policy as regards to youth employment, the Ministry of culture, youth and sports deals directly with issues challenging the youth, while the ministry of public service, labor and human resource development deals with issues concerning vocational trainings, the South Sudan vocational training policy 2008. This was established in order to enhance practical skills for the labor market and self-employment in order to meet the changing technical demands for the social and economic advancement for the youth in South Sudan.

This research will focus on youth unemployment in south Sudan in broader context, and a case study of Juba County, Jubek (Central Equatoria) state. The researcher will use people's perceptions to find out the real youth unemployment and the overall unemployment rates for analyzing the impacts of youth unemployment in South Sudan.

1.2 Statement of the Problem

Youth unemployment is one of the macroeconomic problems facing Sub-Saharan Africa, according to international labor organisation (ILO, 2010). It is a major concern in South Sudan as it poses numerous challenges to the country's economic growth (African Economic Outlook, 2012).

According to studies conducted in other countries such as Somalia, Uganda, USA, South Africa, Kenya, EU, South East Asia the impacts of youth unemployment include; loss of income, loss of government revenue (tax), increased dependence, increased divorce, social isolation, high crime rate, family tension, erosion of self confidence and self-esteem, mental depression, drug abuse, homelessness, poverty, early school dropout, Alcoholism, rural-urban migration and ill health among others.

Also the effects of unemployment on earnings is that long term unemployment leads to reduced future earnings of individuals and other factors such as education, gender, experience, place of residence affect the levels of income for individuals.

As per the available literature on the effects of youth unemployment and its effect on the earnings in South Sudan, there existed a knowledge gap since there has been no study carried out on the impacts of youth unemployment in South Sudan. The government through its policy of creating employment for youth initiated policy governing vocational training policy in 2008. The ministry of youth and sport also came up with employment programs such as vocational education and training, business plan competition and apprenticeships (African Economic Outlook, 2012).

Despite the government and international development partners' efforts to curb youth unemployment, it is still on the rise. This is because the measures taken are not looking at the impacts caused by youth unemployment. Nonetheless, Vocational training alone cannot overcome the high number of young people out of work because integrating these youth into the labor market is difficult especially among the early school leavers and failure to identify the costs posed by youth unemployment to the society and the economy.

In South Sudan few studies have been carried out on youth unemployment problems. These studies aimed at informing the policy makers on the prevalence of unemployment particularly on the nature and extent of youth unemployment, the general causes of unemployment and major factors that contributes to youth unemployment. These studies include the one which was done by Boboya James Edmond in 2015 on the dynamic of youth unemployment in South Sudan. Furthermore, there has been no study conducted on the impacts of youth unemployment and its effects on the earning so as to inform the government and the policy makers in particular on what can be done based on the social, economic and political costs unemployment inflicted on youth in South Sudan. This is the gap this study intends to address.

1.3 Research Questions

The study seeks to answer the following research questions.

- i. What is the effect of youth unemployment on income in Central Equatoria state?
- ii. What other factors affect income in Central Equatoria state?

1.4 Objectives of the Study

The general objective is to examine the effects of youth unemployment in south Sudan and the specific objectives are:

- i. To find out the effect of youth unemployment on income in Central Equatoria state.
- ii. To investigate the effect of other factors on income Central Equatoria state.
- iii. To draw conclusions and provide policy recommendations on the findings of this research.

1.5 Scope of the Study

The study will look into the population about the perceptions of unemployment status, understands the extents and nature of youth unemployment, reducing youth unemployment, major factors contributing to youth unemployment, the impacts of youth unemployment on earnings and provides a platform for policy makers on in-depth analysis in order to conform with projects and programs designed to eradicate youth unemployment.

Juba County in Central Equatoria state is chosen because of the alarming rates of youth unemployment in the recent years, lacks of effort from the central government's programs and projects that will create jobs for the increasing youthful population in the city. The study will focus on the impacts of youth unemployment in juba county central equatoria state. The conclusions shall be used to generalise the impacts of youth unemployment in Jubek (Central Equatoria) State and South Sudan in general.

1.6 Significance of the Study

The analytical studies on youth unemployment and its impact in south Sudan at states level will provide policymakers, government agencies, private sector and development partners' with information about the social-economic and political costs of youth unemployment in order to

improve the current situation for the youth, create jobs and inclusive opportunities in the labor market.

Analysing the impacts of youth unemployment is crucial for curbing it in south Sudan where there is a very small number of the population participating in the labor market and particularly Juba County where there is a growing concern of increased number of young job seekers.

The study will contribute to the understanding of unemployment from academic perspective particularly the effects of youth unemployment on income/earnings and it will help the policymakers' in the quest for desirable policies targeting states as unemployment is concern. In addition, the study will contribute to the available literature and it will act as the advocacy for the unemployed in South Sudan. Finally, the findings and conclusions' for this study can be used as the basis for further research on the area of unemployment.

The study was focusing on the impacts of youth unemployment in the Republic of South Sudan with the case study of Juba County in Jubek (Central Equatoria) state. It will contribute to the existing literature on unemployment in south Sudan and give the stakeholders both the public and private sector information on the effects this vice have on their activities so as to plan on how to deal with its pressure.

1.7 Organisation of the Paper

This research proposal is organised into five chapters. Chapter one deals with background of the study, problem's statement, research questions, objectives of the study, scope of the study, significance of the study and organisation of the paper.

The second chapter looks at the theoretical and empirical literature relevant to the objectives of the study and it's concludes with the overview of the literature; the third chapter deals with the methodology used in the study, chapter four looks at the discussion of the results and findings, while chapter five gives the summary, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents previous works that were done by various scholars, authors, researchers and expertise in the area of study. The objective here is to explore the perceptions, discourse and notions as unemployment is concerned, basically on youth.

The first section of this chapter discusses the meanings, types and models of unemployment. The second section will discuss the empirical literature on the impacts of youth unemployment, its effects on earnings and the last section will look at the general overview of the empirical literature

2.1 Conceptual Framework

This section will discuss the meanings, and types of unemployment. These are put under two Sub-sections.

2.1.1 Definitions of Unemployment

Unemployment occurs when people are without work and actively seeking work.

The 'unemployed' are those actively looking for job, but cannot find the work according to international labor organisation (ILO). The 'inactive' are those without work and are not interesting in seeking job. This inactive youth may include those who are in school. In United States of America (USA), unemployment can be referred to as the unemployment rate which is defined as the total number of the unemployed divided by the total labor force; this consists of both the employed and unemployed persons.

"Youth" are young people ages from 15 years to 24 years; (United Nations, UN), however, in practice there is no universal definition of youth. It varies from one country to another based on cultural, social, institutional, and political factors (United Nations, 1992). In Africa there is no definite definition of youth, for instance, in Ethiopia a person age between 15 and 29 years is considered to be a youth, in Uganda a person age 12 to 30 years is said to be a youth, in south Africa a person between the age of 14 to 28 years is considered to be youth, (Ethiopia national youth policy, 2004).

In South Sudan the concept of youth is defined differently by different institutions. Among these are; government, United Nations (UN), the Civil Society Organisations (CSOs), (Boboya James Edmond, 2015). According to the United Nations, youthful age range from 15 to 24 years, (UNPY, 2002). The United Nations convention on the right of child considers any person below the age of 18 years as a child.

For South Sudan, based on the transitional constitution, (2011), it does not give any specific definition of youth. However, article 7 (4) said that any person under the age of 18 years is a child,(TCRSS, 2011). According to south Sudan policy framework, (2007) give the definition of youth as any person age15 to 30 years. This definition will be employed for the purpose of this study as the rate of unemployment affects such age category (south Sudan policy framework, 2007).

2.1.2 Types of Unemployment

2.1.2.1 Natural Unemployment

According to Milton Friedman in an address to the American economic association (Friedman, 1967) "natural rate of unemployment" refers to the rate resulting from the equilibrium operation of micro economy when macro economic conditions cause neither excess demand nor excess supply of labor.

2.1.2.2 Cyclical Unemployment

This is refers to the difference between the rate of real unemployment and the natural unemployment rate. According to john Keynes Maynard cyclical unemployment is a huge aggregate excess supply of labor.

2.1.2.3 Frictional Unemployment

This is caused by natural frictions of labor market matching processes. Here the frictionally unemployed search for job from whose suitable vacancies exist, but cannot find these firms.

2.1.2.4 Structural Unemployment

This occurs as a result unmatched skills possessed by the unemployed and other characteristics that do not meet the requirements of the Technological changes in available job vacancies and economy's structural changes usually as a result of changes in the skills composition as required in the labor market. When the job seekers do not adjust to these changes, then the structural unemployment will result, (Jeffrey parker, 2010).

2.2 Measurements of Unemployment

2.2.1 The Unemployment Rate

Unemployment rate measures the percentage of work force that is considered to be out of work, but searching for job (bankrate.com). It is derived mathematically as;

$$\text{Unemployment rate} = \frac{\text{Number of Unemployed}}{\text{Total Labor Force}} * 100\%$$

It indicates the state of the labor market and household's financial status. Rising unemployment leads to reduced spending on consumption and bankruptcy, delinquency. It indicates a competitive labor market, in which employers have hard time in finding workers to fill in the available job vacancies. This will force the employers to pay high wages so as to attract more workers. (bankrate.com).

As it measured the percentage of work force, some individuals are not considered as unemployed since they might be frustrated with looking for work and give up on trying to search for job. These discourage workers will take jobs if it came along their way which mean that official unemployment underestimates the real unemployment. This leads to counterintuitive in which the number of the employed and unemployed will move in the same direction instead of opposite directions. it also underestimates the rate of unemployment because it does not considered the rate of the underemployed workers, for instance part-time workers who may be willing to work full time and those in employment below their qualification or low pay than those possessing the same skills with them. It does not show the length of unemployment for individuals as duration of unemployment is an important measure for unemployment rate. (Jodi, 2016).

2.2.2 Labor Force Participation Rate

It is the percentage of the working age persons who are unemployed and actively looking for work and also the employed in the economy. The working age is from 16-64 years those considered not to be participating in the labor force are homemakers, non civilians and the retirees and under 64 years on institutionalised people. (Mike, 2016).

$$\text{Labor Force Participation Rate} = \frac{\text{Labor Force}}{\text{Adult Population}} * 100 \%$$

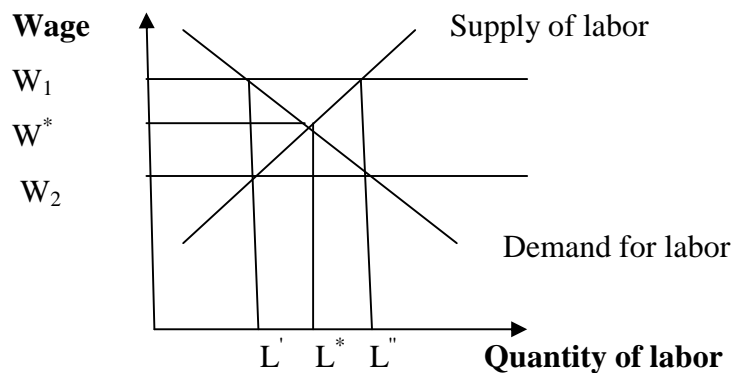
Since the output level per worker is the major determinant of the standards of living in the economy. It is important to know how much of the total population wants to work instead of only those who want to work are actually working. (Mike, 2016).

2.3 Models of Unemployment

2.3.1 The Minimum Wage Models

The model is used in the analysis of price floor. Labor is said to be homogenous. Individual workers' participate in particular labor market and are paid equal wage. Assume a Walrasian market, thus the wage will be w^* . If the minimum wage is imposed above the equilibrium wage at w_1 , then the market will be at disequilibrium. Only L workers will be employed at w_1 and $L - L'$ workers will be unemployed. Deere, Murphy, and Welch (1995). Gilroy Brown and Kohnen (1982) and Brown (1988), Neumark and watcher (1995) Card and Krueger (1995).

Figure 2.1: Minimum wage in a modified labor market.



Source; Romer 2012

Minimum wage affects both the employment and unemployment differently. Employment falls from L^* to L' . This is due to high wages which attract more workers into the labor market.

2.3.2 The Lake Model of Unemployment and Employment

This model is the basic analytical tool for analysing the flows between unemployment and employment and how it influences the steady state unemployment and employment rates.

The model make it easy to interpret monthly labor reports, net jobs created and jobs destroyed.

The " lakes" in the model are the pools of the unemployed and the employed persons. The " flows" in the model are caused by hiring and firing, entry and exit from the labor market. **The Model**

The economy is inhabited by a very large number of identical workers

The workers live forever, spending their lives moving between unemployment and employment

Their rates of transition between employment and unemployment are governed by the following parameters:

f is the job finding rate for currently unemployed workers

δ is the dismissal rate for currently employed workers

b is the entry rate into the labor force

d is the exit rate from the labor force

The growth rate of the labor force evidently equals $g=b-d$

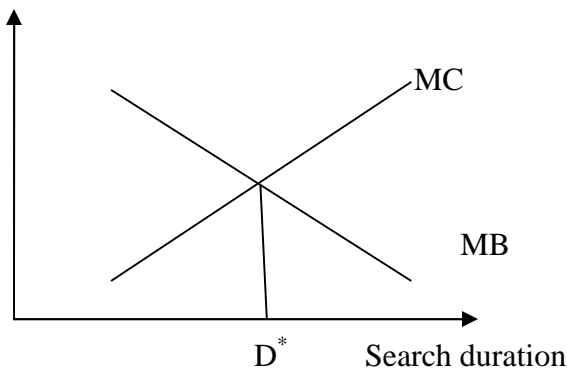
2.3.3 The Job Search Model

This determines the average time unemployed job-seeker takes to get new job. If the job seeker finds and accept new job quickly, then the unemployment rate is lower. Search for Job is modelled by analysing both the marginal benefits and the marginal costs. If the marginal benefits of search are higher than the marginal costs, then the search will be foregone.

The wage income that an individual has foregone for not accepting the offer is said to be the cost of search. The lengthy the search period, the better offers one accumulates, so the marginal cost of continue searches is likely higher. The benefits of continued search are that a better employment would be got. The marginal benefit declines as search is continued, since the incremental increase in job quality becomes smaller as more jobs have been checked.

The decline in the marginal benefit's curve below shows the decrease in the marginal benefit of the search and the increasing marginal cost shows the increasing cost of the job search. The length of the job search is measured on the duration D^* . Change in marginal benefit or marginal cost affects the equilibrium unemployment.

Figure 2.2: marginal costs and marginal benefits of search.



Source; Romer 2012

MC= Marginal cost

MB= Marginal benefit

2.3.4 The Efficiency Wage Models

The model has an assumption that firms choose to pay wage above the equilibrium market wages to some labor force. In this case worker's productivity is endogenously determined by the degree

of worker's effort or the turnover rates each worker put in production process. In such situation workers who learned to be receiving premium higher than the normal wage would put in more efforts in order to continue receiving these incentives of hard work and may not quit. This raises the firm productivity to more than compensate for the high wages it pays.

To allow the varying worker's efficiency. The firm's production function is written as effort is said to be dependent on the actual wage;

$$E = e(w); \text{ with } e > 0 \dots\dots\dots (2.1).$$

E is effort

To make this model simple we can leave capital.

The firm's profit (units of output goods) is

$$\pi = Y - WL = F[e(W)L] - WL \dots\dots\dots (2.2)$$

Y is firm's output

W is wage

L is labor

e is effort

The firm wants to maximise this profit function. The firm takes w as given and chooses the profit maximising quantity of L. Hence, in an efficiency wage model's situation firms are said to be choosing the same quantity of wage and labor. If the firm offers low wages, it will not attract many workers as it wants.

To maximise profit when there is unemployment firms choose the quantity of labor (L) and wage (w) that are equal in order to maximise profit

The economy's equilibrium in the model can be either zero unemployment (if aggregate demand for labor at the efficiency wage is greater than or equals to supply) or positive unemployment (if the aggregate demand for labor is less than labor supply).

2.3.5 The Shapiro-Stiglitz Models

This model assumed that equilibrium unemployment is worker's discipline device. Shapiro-Stiglitz (1984). High unemployment encourages workers to work hard (greater effort). If firms can easily monitor and evaluate the performance of workers at zero cost, it insists on its desired level of effort as a pre-condition for employment and firing of those who shirk. The performance level and wage will be fixed at attractive level in order to attract more workers.

This model assumes three states. a worker may be employed and hard working (state E), in which he/she have instantaneous utility equal to $w(t)-e$, if the/she is in state S, employed, but shirking, (exerting zero effort), the utility is $w(t)$. Unemployed worker (state U) gets utility of zero. Workers get highest utility from being employed, but shirking. A worker can be in this state until his/her shirking behaviour is observed at this point he/she fired and will remain unemployed.

2.3.6 Implicit Contract Models

This model is based on the following assumptions; that's workers are risk averse and firms are assumed to be risk neutral. There exists a mutual benefit to the firm as it offers implicit insurance to its employees in term of contract which reduce workers' income sensitivity in response to fluctuation in labour's demand. In such a situation workers agreed to accept lower wages. There is a mutual benefit to the firm as it doesn't mind about the risk. It expected profit rise as it incurs more risks and the workers risk is reduced in order to offset the utility that's lost from expected lower income.

2.3.7 Insider-outsider Models

This model recognises that certain categories of workers and the firm might conspire to improve their working situation at the cost of the newly hired employees (workers). These workers and the firm agreed on employment conditions so that the newly hired workers are based on normal marginal product conditions without effective insurance cover during their contract. However, if their productive capacity is lower, these workers will be fired and become unemployed.

2.3 Empirical Literature

2.3.1 Effects of Unemployment

Lorenzini and Giugui (2010) pointed out that youth unemployment leads to social isolation and decreased social contacts and collective participation of individuals as they became psychologically depressed and feel lonely. It usually affects both the mental and psychological health of individuals and the person becomes pessimistic that either the person can attempt suicide or involve themselves in activities that negatively affect their lives. Because of these, individual's self-esteem is affected negatively and feeling that they became a burden to their family and society. Social isolation makes young people consider themselves as useless, termed as unable to do anything useful to the family and the society.

Gul et al., (2012) argued that the social and private costs of unemployment are "rigorous financial distress, homelessness and debt, poverty, family tensions, and break down of family relationship, housing stress, stigma and alienation shame. Increased crime, erosion of self-esteem, social isolation and confidence. Another argument is that these effects increase with an expanded period of unemployment.

Morin and Kochhar, (2010), pointed out that unemployment often breaks family ties and friends especially at times the unemployed person wants some support from family and friends. According to Morin and Kochhar those who stay for long without a job are significantly more cynical about their chances of getting a job as good as they lost than the short-term unemployed people.

Nadia Llyas, (2015), argued that unemployment affects not only an individual's life. It has serious negative consequences on the entire economy as a whole. Society can become a prey to unemployment as it poses numerous challenges to the people of specific societies. By becoming unemployed in the future, the impact is that it lowered a young person's wellbeing, injured self-esteem and foster feelings of helplessness among young people.

Reynolds, (2012), noted that unemployment leads to scarring effects, the combination of poverty and unemployment can permanently increase psychological distress, similarly at global levels, and unemployment is a manifestation of structural challenges.

As noted from numerous studies conducted by Andrew S. (2000) in the United States of America (USA) and Kevin O'. (2003) for the World Bank as it is cited by the youth unemployment

challenge and solution (2011) it is said that youth who find it difficult to integrate into the labor market at earlier entrant face scarring effects that diminished their ability and resiliency to thrive in a demanding and dynamic labor market.

Sarah Ayres (2013), in the research paper titled "the high costs of youth unemployment" indicated that youth unemployment have huge negative costs and long term effects for both individual youth and the whole country's economy. According to her, being unemployed for long at youthful age leads to lack of skills and experience acquisition during this time which leads to reduced future earnings for an individual over the entire career. Because of this reduced future earnings an individual suffers from low purchasing power during their entire lives. This also has a serious negative consequence on the country's economy and aggravates youth unemployment and often adds on to the reduced economic growth of a country (Ayres, 2013).

East African Community u.d, (EAC) in its report titled 'youth unemployment head on" stressed that unemployment brings violence and crime among the youth, commercial sex work and as a result leads to spreads of HIV/AIDS, civil disorder and drug abuse are direct consequence of youth unemployment in sub-Saharan Africa. These illicit activities and failure of employment bring huge economic and social costs such as increased level of insecurity and increased costs for security, loss foreign direct investments (FDIs), waste of productive human resource and increased costs of health services.

Mitchell (2012) argued that youth unemployment enforces substantial, social, individual and economic effects such as " social exclusion, loss of skills, lost of current output, psychological problems which resulted into increased rates of suicide, reduction in life expectancy, loss motivation, undermining family life and relationship, gender and racial inequality and loss of responsibility', social values and ill health.

Jacob O, (2011) sustained that unemployment for children, young, unmarried mothers are Crucial, as they might grow up in an environment within poverty cycle, especially when this young mother have no marketable skills or have no financial help from the child's father. Another consequence of youth unemployment is on political stability.

As argued by Azeng and Yogo in their quantitative research, they concluded that high rate of young people unemployment has significant negative impact on the political stability of the country especially in low developing countries (LDCs). (Azeng and Yogo, 2013, P.19)

Vena Nedeljkovic (2014) argued that the social and economic costs of unemployment among the youth in Europe must be understood carefully as it has numerous negative impacts not on future prospect for employability of youth only, but also on individual youth self-esteem, their role in society and represent a serious economic burden on state finances. Being young and unemployed can leads to increased risk of social exclusion, deskilling and poverty, loss of motivation and ill health. Unemployed youth are extremely prone to worst future career opportunities. poverty risk and lower wages

Unemployment among the youth leads to reduction in their levels of happiness and mental depression. Being employed is crucial for young people as they feel much accepted in the community. Therefore, be unemployed can cause socio-economic, political and cultural isolation. Stress and unemployment worries cause individual ill health such as mental depression, increased consumption of drugs and alcoholic addiction as well as increased levels of crime among the youth (Vena Nedejkovic, 2014).

High unemployment rate among the youth has negative consequence on productivity and economic growth. Skilled human resource and talent risk being wasted since a huge number of young graduates were unable to find jobs in order to put their capabilities and knowledge into production, innovation and contributing to economic growth, moreover, having a large share of young people out of work not only leads to reduction in productivity and gross domestic product (GDP). But it also leads to increased economic costs of the country's economy. Since much money is paid as social benefits and less money is raised from the taxes (Vena Nedeljkovic, 2014).

A survey conducted by euro fond across 21 European Union member states indicated that the social welfare cost payments are higher and the contribution to gross national product (GNP) that is foregone from the unemployed young people amount to more than 100 billion Euros (Euro Fond Survey 2009).

Bernard Muniyao Muiya, (2014) in his research on the "nature, challenges and consequences of urban youth unemployment" discovered that youth unemployment has led to increased rate of crime in Nairobi's Mathare areas. For instance, the unemployed female youth turn into prostitution as a way of getting income. It also led to erosion of self-esteem, high population since most of the unemployed youth engage in sex as a way of time passage and lack of proper housing which leads to other social problem such as premarital sex which affect teenage girls.

Balunzi (2001), argued that most unemployed young people end up in urban slums and streets and they can easily begin to engage in petty activities such as prostitution, drug abuse, alcoholism and crime. During this transition many young people face difficulties both socially and economically as they need integration in to the society.

Owen (2009) asserted that the effect of youth unemployment is severe as it leads to thing like poverty, rural-urban migration by youth, rising crime rates, homelessness and housing problems, lack of participation in society and low social interaction among the youth. This have a great impact on young women as they find it difficult to make a living, hence resorting into acts such as prostitution and high rates of teenage pregnancies.

The commonwealth youth programs (2007) argued that unemployment can make young people to stay with their parents for long than the expected. This can leads to increased family tension and mental and financial crisis within the family. Unemployment can cause young girls and women to drop out of school at earlier age in order to serve their families in a bid to earn some income. Unemployment may leads to high crime rates, depression and substances abuse by youth.

2.3.2 Effects of Unemployment on Earnings/income/wages

Joseph G. Anthony A and Ivan I. (2008/2009) established in their study for modelling the earnings dynamics using indirect inference to estimate a joint model of earnings found that short term earnings losses from unemployment are realistic by hours of work and in the long term by wages, with lost tenure, movement to low paying job, drop in autoregressive skill have an impact on human capital accumulation which is a source of wage growth over a career, even if both job term and mobility play a significant role. According to their study unemployment and job mobility have significant effects in variance of future earnings. They have primary effect leading

to huge changes in work specific components of hours and wages than through direct effect on hours and wages. Employment shock, education and gender also play a substantial role in individual's future earnings.

Muellbauer J. and Cameron G. (2000) used the models of relative regional log earnings to analyse full-time men relative earnings and women. Relative unemployment rates for ten regions of Great Britain. According to them the relationship between earnings and unemployment is negative. A long term negative effect for long term unemployment on long term earnings as in Sargan (1964) confirmed this for men employed full time.

Daniel C. (2014) using standard modified version of Mincerian earnings function (Mincer, 1974) observed that unemployment duration impacts on future earnings of an individual and argued that the overall job loss negatively affects worker's earnings and this leads to persistent low income. Workers unemployed for long time experienced long term negative income effects and earnings even after, than those who experienced short term unemployment duration spells. This is inconsistent with the view that long search for the job leads to better employment and the findings is consistent with the view that unemployment leads to loss human capital (skills) and others scaring effects. Previous unemployment spell affects individual's ownership for home in the future. According to the findings as soon as long term unemployed workers return to work, the better they will be in minimising future earnings losses.

Bagdan V. use simple linear regression models to investigate factors that influence earnings and observed that education, experience, sex, location coefficients were statistically significant at levels lower than 0.05 significant levels. According to Bagdan all these variables were important as they were included in the model of the earnings function and intellectual capital.

Shari J. Eli using OLS to analysed the earnings gap between the genders' gap and other variables. The findings revealed that there is a significant difference between the male and female incomes. Also male income is affected by other variables such as religion and nationality. However, even if both man and woman have the same average education level, women earn more for each additional level of schooling they acquired. This is true at earlier stages of their careers. Men are affected by marital status, being single affects productivity and wage levels. Women are not affected by their marital status. This means not wage gap between men and

women only, but also there is a considerable difference between others factors affecting their wages.

2.4 Overview of Literature

Based on previous studies done in the field of unemployment and in particular on youth unemployment an overview shown that multiple studies were carried out in many countries of the world such as Uganda, Somalia, Kenya, Rwanda, USA, Asian countries, European Union member states, south Africa and many other countries. The effects of youth unemployment analysed in this literature of this research proposal agrees on the impacts of youth unemployment which include the following: social isolation, high crime rate, family tension, erosion of self confidence and self-esteem, mental depression, drug abuse, homelessness poverty, early school dropout, Alcoholism, rural-urban migration and ill health among others. According to the literature there is seem to be close relationship between the effects of youth unemployment in both rural and urban centres.

Also the literature on the effects of unemployment on earnings/wages/income agreed that long term unemployment leads to reduced future earnings of individuals and its established that other factors such as education, gender, sex, experience, place of residence affects the level of earnings for individuals. As per the available literature on the effects of youth unemployment in South Sudan, there existed a knowledge gap since there has been no comprehensive research carried out on the youth unemployment problems in south Sudan. Thus, due to this existing knowledge gap, the study will seeks to bridge the gap by investigating the perceptions and analysing the impacts of youth unemployment in South Sudan.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter deals with the methodology that will be used in the study. It presents the research design, Area of study, model specification, conceptual framework, definition, measurement and expected signs of variables, measurement of unemployment, data source and type

3.1 Research Design

The appropriate research design for this study will be survey design as it considers both qualitative and quantitative data analysis. Survey design is used to collect generalised data and information from a well known human population. It is efficient in giving large amount of data at a very low cost in short time period possible Smith (1975). Thus, using this research design format will enable the researcher to get data or information in less time.

3.2 The Area of Study

Jubek (central equatoria) state is one of the ten states of South Sudan. It is where the government headquarters NGOs, UN agencies, Diplomatic Embassies and it's the commercial businesses are based. It covers an area of 43, 033 km², a population of 1,526,600 million people (SSNBS, 2014). It has six counties namely: Juba, Lobomk, Mangalla, Lainyan, Wundoroba and Kajo Keji County. It is located south of the country and it borders Uganda to the south, yei river state to the south-west, Munduri state to the west, Terekeka state to the north, Imatong state to the south-east, Pibor state to the east and Jonglei state to the north-east.

The population is predominantly ethnic Bhari speaking people of Bhari, Lokoiya, Lolubo, Nyangwara and Pojulu respectively. The state is the seat of the government of the republic of south Sudan together with the state government and county government as well. Way back in 1972 this was the regional capital of the then autonomous region of southern Sudan of the republic of the Sudan. The main economic activity is agriculture mostly crop production on a subsistence scale.

Youth unemployment is on the rise in the county as most of the government, private, UN agencies and NGOS headquarters are based in juba. This attracts mostly the skilled, semi-skilled

and the unskilled man power from rural and other states to come to the capital in search of a better paid job. This exerted pressure on the small sized labor market in absorbing the huge labor force, thus leading to worrying unemployment situation.

The state is currently facing a serious insecurity caused by the war that started on 15th December, 2013 and the recent one which started on the 8th July, 2016. There is also a concern from the indigenous community on the issue of land grabbing in the state. This is posing a serious challenge to the state government on how to ease this tension between the indigenous tribes and those coming from other states.

The study area Juba County is the former juba Payam currently divide into five divisions of Muniki, Gudele, Rajaf, Juba town centre and Kator. The total population is 3, 72, 410 (S5thPHC, 2008). In 2010 juba's population was estimated at 500, 000 people. (US AID, 2010). The population per division according to JICA; Juba town centre 1,17,000, Kator 79,000, Muniki 1,17,000, Rajaf 31,000 and Gudele 62,000 people. (JICA 2009). According to south Sudan national bureau of statistic juba have an estimated population of 1.53 million people (SSNBS, 2014).

3.3 Model Specification and Conceptual Framework

3.3.1 Conceptual Framework

In this study, the econometric model that was used is the mincerian earnings function model (Mincer, 1974). The model was used by Daniel Cooper (2014) in the analysis of the effect of unemployment duration on future earnings/wage. The model stated that there is a link between wages/earnings and the quantity of skills owned by individuals in a competitive labor market.

This can be expressed as

$$W_t = P_t, H_t \dots\dots\dots (3.1)$$

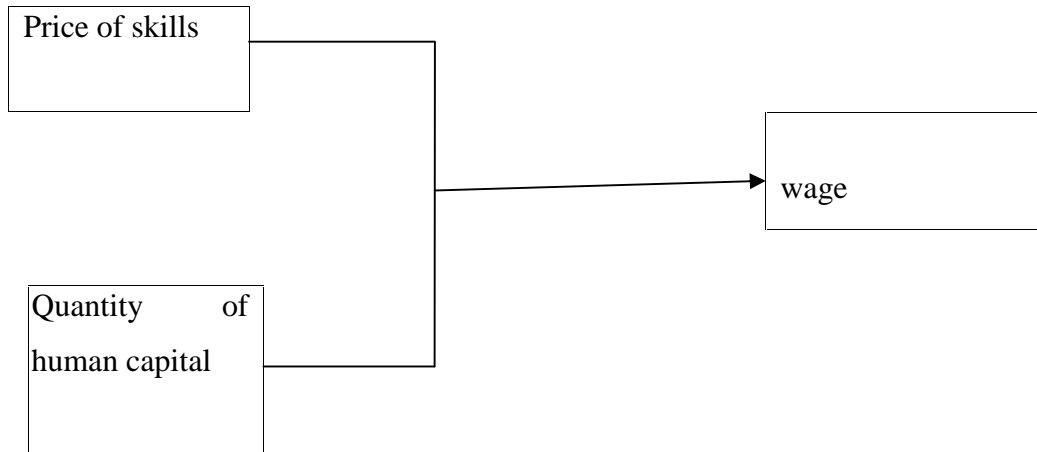
Where

W_{it} = market wage rate at time t

P_t = price of unit of skills

H_t = total quantity of human capital

t = time



Taking the log of equation 3.1 will yields

$$\log W_{it} = \log P_t + \log H_t \dots \dots \dots (3.2)$$

Mincerian wage regression model shows the statistical relationships between wage/earnings, education and experience. The Mincer's wage equation is written as

$$E_t + C_t * P_t = E_t (1 + K_t * P_t) \dots \dots \dots (3.3)$$

E_t is earnings at time t

$C_t = K_t * E_t$ is investment in training

K_t is amount of time devoted to schooling ($K_t = 1$ if an individual is in school)

P_t is returns to training (schooling)

The relationship between unemployment duration and earnings is based on signalling. Employers do not have perfect information about prospects for the new job seekers and look at their job histories as a proxy of their abilities. This situation caused a firm to offer lower wages to new employees until the employer can observe the individual's on-the-job performance.

The incidence and duration of unemployment, the number of years since worker's most recent job loss, impact on future earnings.

The Empirical Model

The modified version of standard Mincerian earnings function (Mincer, 1974) is the model for analysis. It is estimated as

$$W_{it} = f(A_{it}, S_{it}, E_{it}, T_{it}) \dots \dots \dots (3.4)$$

Where

W_{it} =earnings for individual i at time t.

A= ability

S= education

E= experience

T= employment status

t= time

i= individual i or firm i

Implementing equation 3.4 results into the following estimation model

$$W_{it} = \beta_0 + \beta_1 w_{it-j} + \beta_2 ten_{it} + \beta_4 e_{it} + \beta_5 occ_{it} + \beta_6 ind_{it} + \beta_7 X_{it} + u_{it} \dots \dots \dots (3.5)$$

$\beta_0 - \beta_7$ = parameters to be estimated in the model

W_{it} = wages/earnings

w_{it-j} = individual log wage j period prior to the current period

ten_{it} = number of years an individual spent in the current job

e_{it} = vector of dummy variables for an individual's education level at time t.

occ_{it} = vector of dummy variable for different occupation

ind_{it} = is a vector of dummy variables representing difference industries

X_{it} = a vector of additional control variables that matters for workers' earnings such as age, gender and place of residence

u_{it} = individual's specific error term that captures unobserved characteristics of individuals that impact workers' wage

3.3.2 Model Specification

The empirical model for this study can be estimated as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + u \dots \dots \dots (3.6)$$

Where;

Y= wage/earnings

X₁= employment status

X₂= gender

X₃= place of residence

X₄= education level

X₅= political instability

u= error term

3.3.3 Definition, Measurement and the Expected Sign of the Variables

Variable	Definition and measurement	Expected sign of the variable of variable
Dependent variable	Income accrue to individual in south Sudanese pounds (ssp)	
Earnings/income/wages.		
Explanatory variables		
employment status	if an individual is employed=1 and 0 otherwise	Negative
Age	individual's experience in years	Positive
Gender	If an individual is male =1 and 0 otherwise	Positive
Place of residence	1 if an individual live in urban area and 0 otherwise	Positive
Education level	If an individual is a primary leaver=1, secondary leaver=2 And tertiary leaver =3	Positive

3.4 Data Sources and types

Secondary data was used in the empirical analysis of this study. The data was sourced from South Sudan national bureau of statistic (SSNBS),.

In this study both quantitative and qualitative data were used in order to achieve the desired objective of the study.

3.5 Data analysis

Both qualitative and quantitative methods of data analysis were used. The researcher obtained the overall unemployment rate from south Sudan national bureau of statistic and used econometric model to analyse the effect of unemployment and other household characteristics on future earnings. The regression model employed in this study is the mincerian earnings function regression model. The model was used to analyse the effect of unemployment and other household characteristics on income. The dependent variable of the mincerian earnings function model was the income levels of the household.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introductions

This chapter presents the results of the secondary data collected from households. the survey from juba county central equatoria state provide us with the details of the impacts of youth unemployment and its effect on their income.

4.2 Descriptive analysis

The study used a secondary data for a survey which was conducted in 2010 on household welfare and gender perspective in South Sudan. For this study we considered only the data on central equatoria state. According to the data 73 percent of respondents were interviewed were males 27 percent were females. This means that there were more males than the number of females interviewed. this suggests that in central equatoria more household are headed by men than women this is consistent with the 2008 s5thphc results for South Sudan which indicates that there are more males than the females.

As revealed in the literature reviewed, household socio-economic characteristics are among the factors that affects income. In this case such characteristics were considered such as the gender of the household head, household place of residence, employment status of the household, education level of the household, marital status of the household. in the study we considered the mean which is the average value, standard deviation which measures dispersion, that is it shows how the observations are scattered around their means.

As seen from the table 4-1 below; 86.7 percent have lower income. it was observed that 77 percent of the respondents were illiterate, only 4.5 percent completed primary school, 1.5 completed secondary school and 0.5 attended university education. This is in line with the national illiteracy rate of 84 percent.

On the employment status it was found that 20. 8 percent of the respondents were working in central equatoria. Relating this to the sector of the employment it was found that 74.5 were employed in primary sector, 25.7 were engaged in local mining sector. This implies that large portion of the population in central equatoria is predominantly employed in agricultural sector..

Table 4.1 Summary Statistics

Variable	Observation	Mean	Standard Dev.	Minimum	Maximam
Income level	963	0.867	0.166	0	1651
Employment status	963	0.208	0.183	0	1
Gender of the household	963	0.641	0.436	0	1
Education level	963	6.567	4.472	0	2
Place of residence	963	0.757	0.320	0	1

Source: author computation using stata

4.3 Test for Multicollinearity

Multicollinearity in regression occurs when predictor variables (independent variables) in the regression model are more highly correlated with other predictor variables than with the dependent variable.

Multicollinearity inflates the variances of the parameter estimates. This may lead to lack of statistical significance of individual independent variables even though the overall model may be significant. This is especially true for small and moderate sample sizes. Such problems will result in incorrect conclusions about relationships between independent and dependent variables.

We adopted variance inflation factor to measure how much variation of an estimated coefficient might increase due to collinearity. It is suggested that variance inflation with values greater than ten and $1/VIF$ less than 0.10 would imply the presence of multicollinearity

Table 4.2 Variance Inflation Factor (VIF)

Variable	VIF	1/VIF
Household residence	6.92	0.108
Employment status	6.89	0.113
Gender of household	1.84	0.412
Education level	4.93	0.203

Source: author computation using stata.

From Table 4.2 above indicated that all VIF were below 10 and $1/VIF$ was more than 0.1 as predicted. Hence, we confirmed that there was no serious problem of multicollinearity

4.4 Econometric Results.

In estimation as illustrated in chapter three, employed the repressor of the mincerian earnings faction model to investigate the effects of unemployment on income in central equatoria, south Sudan. Considering the assumptions of the simple ordinary least square, all the values detected indicate that income is affected by type of employment of individuals. This implies that the

chance of being unemployed is not as a result of chance but dependent on other unobserved characteristics.

Therefore, we further employed the OLS to establish the role of various explanatory variables on income. the coefficients of the ordinary least square are not identified without the assumptions made about the variance of the random error term these and the mean, these are arbitrary in a way that once the identifying assumptions change, the values of the estimated coefficients change.

From the estimated coefficients as shown in table 4.3 below. It indicates that education level of household, gender of the household head, marital status, sector of the economy employed were found to statistically significant factors determining the effects of unemployment on income in central equatoria. However, employment status, place of residence were also found to be statistically significant factors.

Table 4.3 Estimated Coefficient of the Ordinary Least Square

Explanatory variables	Coefficient	z-statistic
Education level	-2.311	-2.15
Gender	-2.9713	-2.11
Employment status	-1.3218	-1.29
Place of residence	1.2349	1.79
Number of observation=963		
LR Chi2(6)= 11.15		
Prob>chi2= 0.0011		
Pseudo R2= 0.1374		

Source: author computation using Stata software

4.5 Discussion of the results

Employment status determines the resources accessible to the households. Those households whose heads are on paid employment or self employment tend to have more resources. This is consistent with the studies of Gregory and Jukes (2001) and Alurampalam (2001) who found that there existed a positive relationship between unemployment and workers' future earnings. As seen above, unemployment affects individual's income levels which hinder their future opportunities for investment.

An unemployed generation will lead to less productivity and hence shortage of labor supplies. It has been noted that, without considering the productive labor from the youth the country markets will end up with a situation where consumers exceed producers.

Unemployment also stifles the development of the next generation as the current generation will not be able to educate and train their children. As unemployment increases the tendency for young people to engage in criminal activities are high. The youth now lack the capacity to access health services, leadership and management skills, and are prone to poverty because they are unable to engage in meaningful and gainful employment. Many of them have also resorted to corrupt tendencies in order to quickly go up the ladder.

Education levels have a positive relation with income. An additional year spent in school leads to increase in future income accrues to individuals. An increase of informal education index with 1 unit will increase the mean income. With this relation the indicator is important in relations to wealth owned by individuals.

Thus, highly qualified workers are paid highly. This is consistent with the study carried out by Bagdan V. (2000) on the factors of the earnings functions and their influence on the intellectual capital of an organisation and the study done by Fofack (2002), asserted that education level of household is one of the determinant of rural income Burkina Faso. Just as it is in this study, they revealed that educated household head have better income and consequently better welfare as compare to household headed by uneducated.

This implied that educated individuals are most likely to be employed and then, could be at higher income group.

Gender of the household head was found to be statistically significant, but negatively related to income in Central Equatoria (Jubek) state. In our study like in others female have lower income than male. In this case, men income is greater than for women .Tilman (2001) found in his research revealed that gender of household head rural income and poverty in Mozambique from agriculture.

4.6 Limitations of the Study

The study on unemployment in South Sudan is challenging since there is inadequate data on unemployment at the national government level and the state as well.

As the study intended to use secondary data in the analysis. It was hard to access the database for the national bureau of statistic until i have to talk to the authority to allow me access their data file. The data had some insufficient information,

However, given the above limitations there must be flaws in the results, but necessary verification were done in order to ensured that viable results are obtained for the purpose of this research work.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings in relation to the impacts of youth unemployment and its effect on their future earnings in Jubek (central equatoria) state. It further represents conclusions and policy recommendations based on the established impacts and effects of youth unemployment on income and areas for further study in order to fill the existing gaps in the area of study,

5.2 Summary of the Study

This study was carried out with the view that any information will be availed to the government and other partners in the policy circle to be used as the basis of establishing policies to mitigate youth unemployment problem as it requires clear information of its effect. Thus, estimation of effects of youth unemployment on their future earnings is crucial in its mitigation in the country where the largest part of the population are out of the formal or paid employment.

The study shows that youth unemployment greatly affects their contribution to the country's gross domestic product (GDP). Other factors believed to influence the income of individual are education level, age, gender, place of residence were statistically significant. Political instability is also significant as it affects the employment levels.

5.3 Conclusions

The basis for this study was motivated by the fact that there were few studies carried out on the youth unemployment problems in south Sudan to inform the government and other development partners. The studies conducted earlier in south Sudan after independence in 2011 only concentrated on the national level and focus only on the extent and causes of youth unemployment without proper estimation.

5.4 Policy Recommendations

The social fabric among the youth in south Sudan should be addressed by creating a platform for dialogue between different youth groups in the country. The platform will enable the young people involved to establish joint business ventures that will create a sustainable business environment. This will also be significant as it will encourage interactions among the different youth groups considering the current political situation and will act as a platform for promoting their common problems in the areas of socio-economic and political.

There is need to establish vocational training institutions where young people can be trained in different skills which will enable them engage in economic activities such as tailoring, carpentry, brick laying and masonry, electrical training, beauty therapy and other entrepreneurial skills. This will help young people in generating income for themselves and become potential self employers.

There is need for the government of south Sudan to develop a national action plan targeting the youth and unemployment problems. This can be initiated by the government with support and participation of development partners and the private sector. This should be done while strengthening youth employment networks at both the national and state levels.

The government, development partners and the private sector should increase funding to both vocational and academic institutions by providing enough resources to schools in order to improve the quality of education attained by the youth.

There is need to increase access to education through mobilization of scholarships and bursary for youth to enable them access higher education, career guidance with emphasis on the promotion of skills. This will increase the opportunities for the youth to be trained in different skills which will make them compete actively in the competitive labor market.

There is need to develop the information communication technology as it is currently significantly underdeveloped. There is need to increase the telephone networks coverage. This can be done by the development of mobile money services which will generate more employment opportunities for the youth as seen in the neighboring countries of Uganda and Kenya. This will also increase access to finance in the country. The government through the ministry of information, telecommunication and postal services should work with the telecom

companies such as the MTN, Vivacell, Zain and Gemtel to ensure that the resources they have are utilized well to meet the suggested policy program.

5.5 Area for further Study

Every country's economic growth depends greatly on productivity of its population. as seen from the literatures reviewed in this research paper youth unemployment is a global challenge and joint efforts by states, country as a whole and the region are necessary in tackling or reducing this social challenge.

In this study, we considered the impacts of youth unemployment and its effect on income in jubek (central equatoria) state in south Sudan. Therefore, similar study is necessary in exploring the cause of youth unemployment in other states in order to enable joint efforts by the government and other stakeholders to have appropriate action to curb this vice.

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