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SPOTLIGHT

FACTORS THAT RESTRICT AVAILABILITY OF JOB OPPORTUNITIES FOR THE YOUTH IN PAPUA NEW GUINEA

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Key Points

- Increasing number of unemployed youths in Papua New Guinea (PNG) is due to inadequate factories, inadequate support to involve youths in agriculture sector, engagement in community services and loan scheme.
- Create more job opportunities for unemployed youths by building more factories, giving more support to them to involve in agriculture sector, provide them more opportunities to access loan facilities.
- To create more job opportunities for the youths in PNG, good governance needs to be promoted.

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FACTORS THAT RESTRICT AVAILABILITY OF JOB OPPORTUNITIES FOR THE YOUTH IN PAPUA NEW GUINEA

By Julian Melpa

Introduction

This article focuses on one of the findings from an Issues Paper by Melpa and Odhuno (2022) about the situation of young people (youth) in an informal settlement in Port Moresby known as Morata and what the Government could do to keep them from social evils. Findings from the paper provide several strategies that can be used to reduce youth unemployment in Morata informal settlement in Port Moresby but to support findings remains problematic in Papua New Guinea (PNG). This article focuses on four areas of creating job opportunities for youths in PNG: building more factories; support youths to involve in agriculture sector; engage unemployed youths in community services; and provide loan scheme, to minimise socio-economic issues, and create more job opportunities for unemployed youths in the country. To achieve sustainable growth, PNG must become more inclusive, more integrated and more innovative to help youths to earn income and keep them engaged by creating jobs.

Brief overview of youth unemployment in PNG

The survey carried out in Morata was to understand the cause and effects of urban youths unemployment and what the government can do to keep them from social evils in urban settlements throughout the country. Rapid urban growth is occurring without planning and growth in urban youths unemployment levels multifaceted by deficiencies in government delivery systems compounded by 'snail phase' or weak government involvements (Kanaparo et al., 2014). The study noted that urban youths unemployment condition in PNG has increased at an alarming rate; and consequently, afflicts the lives of many young people.

Furthermore, findings from the study also revealed that 32 percent (n=103) of the urban youths out of 318 respondents are employed whilst 68 percent (n=215) are unemployed which have seen only 12 percent employed (n=14) are engaged in formal job and 86 percent (n=89) are in the informal sectors respectively. It gives a clear picture that only few youths in PNG are engaged in formal jobs while majority are unemployed. There are limited formal job opportunities for the growing, relatively young population (The World Bank in Papua New Guinea, 2021).

Every year in both public and private schools, more young people are churned out of education system. Finding a job straight after graduation is a real struggle in PNG for most graduates with diplomas and degrees. Job opportunity in the country is

very limited; therefore, some graduates with good grades may not find jobs. With no job opportunities, these youngsters resort to other means acceptable or otherwise, to survive in a tough world.

High number of unemployed youths in PNG affects the well-being of citizenry and growth of the economy. The socio-economic issues are believed to be the direct effect of unemployed youths. Jobs and investments are therefore needed in both formal and informal sector in the country. 146 respondents out of 318 stated that the government should create more job opportunities for unemployed youths in PNG (Kanaparo et al., 2014).

Factors that limit job opportunities for the youths

Youths have the capability and potential to contribute effectively to move PNG towards achieving its desirable future. However, inadequate job opportunities is an obstacle for the young generation to build this nation. Highlighted below are factors that contribute to youths unemployment in PNG.

- **Inadequate support to involve youths in agriculture sector**

Agriculture has been the backbone of Papua New Guineans for generations. Most people depend entirely on agriculture to meet their daily needs and wants. Unemployed youths have no interest in agriculture for the following reasons:

- o *Poor service delivery* – Poor road condition with high cost of transport and labour was observed to be the main reason of unemployed youths losing interest in agriculture.
- o *Inadequate markets for quality home grown foods* – Due to inadequate markets, most quality fresh produce creates no competition leading to low price.
- o *Low price* – Farmers invest more time and effort producing quality agriculture produce, but low price at the local markets makes them lose interest in agriculture.
- o *Inadequate loan scheme for farmers* – Inadequate start-up capital for pest and disease control as well as for buying seeds and fertilisers. Agriculture sector has the potential to absorb unemployed youths but financial support remains problematic in PNG.
- o *Inadequate training skills* – Farmers need skills and knowledge about how to change the pattern of growing certain crops, know their productive age and understand the amount of chemicals to produce quality food from the land for revenue

income. Most farmers are illiterate therefore relevant skills and knowledge in agriculture is needed to produce quality food crops.

- **Inadequate factories in PNG**

The country's key cash crops include cocoa, coffee, copra, oil palm, rubber and tea, most of which are exported and form an important source of foreign exchange revenues. Down stream processing of natural resources in PNG are capital-intensive activities. It has the potential to attract foreign direct investment (FDI) and generate taxes and royalties, but limited manufacturing factories becomes hinderance to add value to our own natural resources. The following are some reasons for having limited factories in the country.

- i. *Involves a lot of cost* – Downstream processing of natural resources are capital intensive business, therefore it needs a lot of money to build more factories to cater for the growing number of unemployed youths.
- ii. *Poor road condition* – PNG have quality natural resources to attract foreign investors to the country, but deteriorating roads become an obstacle for investors. More than 70 percent of the country's road network is in a failed or poor condition (Kenneth, 2020). To create employment opportunities and to generate income, construction of good road is vital for facilitating transportation services, setting up agro-processing and small and medium-sized enterprises (SMEs) in both urban and rural areas.
- iii. *Inadequate utility services* – Utility services play significant roles for every business to function effectively. One contributing factor of having few factories in the country is due to electricity issues, problem of wastewater treatment, water supply and telecommunication issues.
- iv. *Inadequate skilled labour* – This skill gap can affect factories ability to stay competitive in the market, both locally and internationally. It also has the potential to slow down production time, decline productivity, increase operation cost and other performance issues.
- v. *Land availability* – Most Papua New Guineans are reluctant in giving away their land for development and business investment to benefit citizens. There is scarcity of land to build more factories because most land in PNG are customary owned while State owns only few land. People should give their land free for service instead of demanding compensation from government.
- vi. *Security issues* – This is another contributing factor leading to inadequate factories in PNG. Security issues include urban crime, corruption, climate change, natural disaster and infectious disease.

- **Inadequate engagement of unemployed youths in community services**

It is observed and experienced frequently that most unemployed youths roaming the streets aimlessly are the ones causing a lot

of law and order issues. Failure in engaging unemployed youths in community services gives some of them the opportunity to be involved in snatching of bags, pickpocket, rape, murder, prostitution and car hijacking to earn income for survival. Communities cannot be made safer for the people to reside without the involvement of unemployed youths in community services.

- **Inadequate loan scheme for unemployed youths**

There are limited establishment of sustainable financing to support unemployed youths with a start-up capital to involve in informal and agriculture sector. Some youths have the skills to utilise in generating income but they do not have a start-up capital. For example, they could apply the skills of mechanic to set up mechanical workshop or involve in agriculture sector for farming but financial support remains problematic to explore their skills and knowledge to generate income.

How more job opportunities can be created for the youths

As the population of young graduates increases annually, the need for securing formal jobs also increases. Creating more job opportunities requires government investment. The following are some areas government can consider.

- **Building more factories**

Downstream processing of raw materials has great potential to boost the economy in terms of revenue income and add value to the products of our own natural resources. Factories require different skills and responsibilities, therefore building more factories has the potential to create more job opportunities in all fields of study including economics, science, social science, and more technical skill areas of employment. It creates job opportunities from the top managerial position down to the cleaners and gardeners.

- **Provide more support to youths to engage in agriculture**

Agriculture is a central pillar of PNG's economy that contributes 25 percent of GDP and 85 percent of the population depend on agriculture for their livelihoods (Papua New Guinea Agriculture and Fisheries, 2020). Rural population rely directly on subsistence farming for their basic needs, having only little contact with the formal economy. In my experience and observation, most youths in rural areas of PNG depend entirely on agriculture to meet their daily needs. Therefore, the government should consider focusing more on supporting youths in agriculture to create more job opportunities by doing the following:

- i. *Maintain, upgrade, and expand existing deteriorated road systems in rural areas to move fresh produce effectively and efficiently.* To boost the interest of youths to involve in agriculture, roads should be in good conditions to allow
 - o effective flow of agricultural produce from where it is produced to where it will be consumed,

- o farmers to put more efforts in agriculture for revenue income,
- o low cost of transportation and labour, and
- o attraction of business investors and SMEs.

ii. Training skills – Public and private sectors should work together to develop mentorship and traineeship programs between farmers and stakeholders on how to earn income and how to promote sustainable agriculture in PNG. Equipping unemployed youths with relevant skills is the best way to boost their interest in agriculture sector.

iii. Creating markets – There should be a direct link between the farmers and business houses for the fresh produce to be sold. The relationship can be created at both local and international markets for farmers to sell their produce and earn income.

• **Engagement of unemployed youths in community services**

To build a safer community, the government should engage unemployed youths in community services such as cleaning streets, planting flowers and trees, patching potholes, maintaining law and order, cleaning sewerage, control of garbage disposal and other community project and pay them. In urban settlements, it is impossible to promote safer community without engaging unemployed youths in community service. Law and order issues within the community can be minimised if unemployed youths are given the opportunity to look after their own communities to achieve a happy and safer community.

• **Provide more loan schemes for unemployed youths**

Establishment of more sustainable financing is one way to support unemployed youths to start up in agriculture and informal sector. From questionnaire interview at Morata, most youths suggested that financial institutions should not apply interests on loans within certain period of time but if they fail to repay the loan within given period, interest should be included upon agreement between the two parties (lender and borrower). Loan scheme has great potential to create more job opportunities for the youths in agriculture and informal sector in the country.

Conclusion

Limited job opportunities in PNG is believed to be the reason behind some citizens remaining in poverty. Inadequate sustainable loan scheme and unemployment has resulted in approximately 39.9 percent of the population living below the national poverty line (Voegeli, 2017). Creating more job opportunities for youths in PNG is the way forward to achieve developmental goals and providing economic and political stabilities. Creating more job opportunities in PNG can also help citizens to move out of poverty and improve their living standard.

In order to create more job opportunities in a sustainable manner,

good governance needs to be promoted for inclusive economic growth. Jobs are created in many different ways to support youths in PNG. For example, Urban Youth Employment Program in NCD and other urban areas of PNG. This is a job training program that engages unemployed youths to exercise their skills in Port Moresby. The most suitable way forward to create more job opportunities for unemployed youths is through building more factories, supporting youths in getting involved in agriculture, engagement of unemployed youths in community services and providing more loan schemes to help unemployed youths with start-up funds. These areas are engine for economic growth and development in PNG. Government, at all levels, should support in creating more job opportunities for unemployed youths.

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