

# Chapter 60

## Addressing Issues of Unemployment in Brunei: The Mismatch Between Employers Expectations and Employees Aspirations

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### ABSTRACT

*This study aims to investigate the issue of youth unemployment in Brunei by exploring the occupational aspirations of youth, the expectations of employers towards their employees, and the current policy initiatives of the government. The aspirations of youth were explored by conducting a series of focus groups among youths of different age groups and educational levels. The findings indicated that youths in Brunei preferred jobs that are prestigious, highly paid, stable, and are less likely to take risks. The expectations of employers, on the other hand, entailed a semi-structured interview to assess the employers' expectations for their current and/or prospective employees. The findings revealed that youths lack awareness on important employability skills that are critical for their entrance into and performance into the labour market. A majority of the employers attribute the lack of drive, entrepreneurial spirit, and awareness of the importance of leadership from an early age for employability and a need to strengthen collaborative development amongst the relevant agencies.*

### INTRODUCTION

Brunei's long-term development plan, *Brunei Vision 2035*, aims to make Brunei, by 2035, a nation widely recognized for a world class education and skilled workforce, a high quality of life, and a dynamic and sustainable economy. It also aspires to raise the country into the rank of top ten nations in terms of quality of life and per capita gross domestic product (GDP) (BEDB, 2011). However, in order to achieve these

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goals, there are a few issues that need to be addressed and one of them is the issue of increasing youth unemployment. The *Brunei Vision 2035* document acknowledges that the economy suffers from the increasing number of unemployed youths that has kept GDP below its potential level. More specifically, the document attributed this problem due to “the widening gap between the expectations and capabilities of the nation’s youth and the employment opportunities being created” (BEDB, 2011).

In order to address this issue and also provide a holistic view on the issue of youth unemployment in Brunei, this paper aims to explore the demand side and supply side of the labour market as well as the policy environment by exploring three variables namely the aspirations of the young people in Brunei, the expectations of the employers in the labour market and analyzing the existing government policy initiatives to curb youth unemployment in Brunei.

## **BACKGROUND**

Youth unemployment has been on the agenda of International Labour Organization (ILO) since 1935 and one of the Sustainable Development Goals’ targets is to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” (United Nations, 2018). According to the ILO, young people under the age of 25 are less likely to find work than adults. The global youth unemployment rate stands at 13%, which is three times higher than the figure for adults. The focus on youth unemployment is driven by the fact that young people are the biggest cohort of new job seekers and are therefore the most vulnerable group with regards to unemployment. Young adults are more likely to be looking for work because they have just graduated from a learning institution and entered the labour market, or because they are changing jobs, being more mobile at the early stages of their work life.

Youths of today face increasing uncertainty in their hopes of undergoing a smooth transition in the labour market, and this ambiguity and disenchantment can, in turn, have harmful effects on individuals, communities, economies and society at large. Unemployed or underemployed youth are less able to contribute effectively to national development and have fewer opportunities to exercise their rights as citizens. They have less to spend as consumers, less to invest as savers and often have no “voice” to bring about change in their lives and communities. Prevalent youth unemployment also inhibits companies and countries from innovating and developing competitive advantages based on human capital investment, thus undermining future prospects.

Much research (ILO, 2013; Bell & Blanchflower, 2011) has shown the negative personal impacts of youth unemployment notably feelings of worthlessness and potential idleness that may lead to increased crime rates, mental health problems, violence, conflicts and drug taking (ILO, 2010). The combined effect of an increasing youth population and high and increasing levels of youth unemployment are often associated with insecurity, urban social unrest and political instability. For example, countries in Africa refer to the problem of youth unemployment as a matter of national security, which could be a threat to a country’s stability if it remains unresolved (Lintelo, 2011). Therefore, youth unemployment is a deeply-rooted and highly detrimental problem for the economy – one that will linger regardless of how buoyant the economy become. The problem is not exclusively cyclical: it also has deep structural reasons.

Brunei is no exception to this issue. In fact, the figure for youth unemployment has been the highest it has ever recorded in 26 years (ILO, 2017). A report released by the ILO in 2017 notes that unemployment, youth total (% of total labor force ages 15-24) (modeled ILO estimate) in Brunei was 23.40 as

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