The Working Lives of 1050 Youth in Urban Benin

Bart Kudrzycki

Outline

- Context
- The Youth Survey
- Determinants of education and work
- Longitudinal results

Why youth employment?

- Youth population boom
  - One-fifth of 15-24 year olds are inactive (ILO 2020)

- Period of transition and vulnerability
  - Vulnerability appears to increase with globalization and competition

- Long periods of unemployment have a lasting impact on youth:
  - Individual level: self-esteem, respect, sense of achievement
  - Societal: integration, cohesiveness, citizenship

- Slow rate of formalization (Lall et al. 2017, Fox et al. 2020)

Literature

ILO

SWTS

- Longer transitions for women & importance of social networks (Matsumoto & Elder 2010)

- Impact of education on job search positive up to a point (ibid., Manacorda et al. 2017)
  - May be due to higher expectations, reservation wages, or queuing (Nilsson 2019)
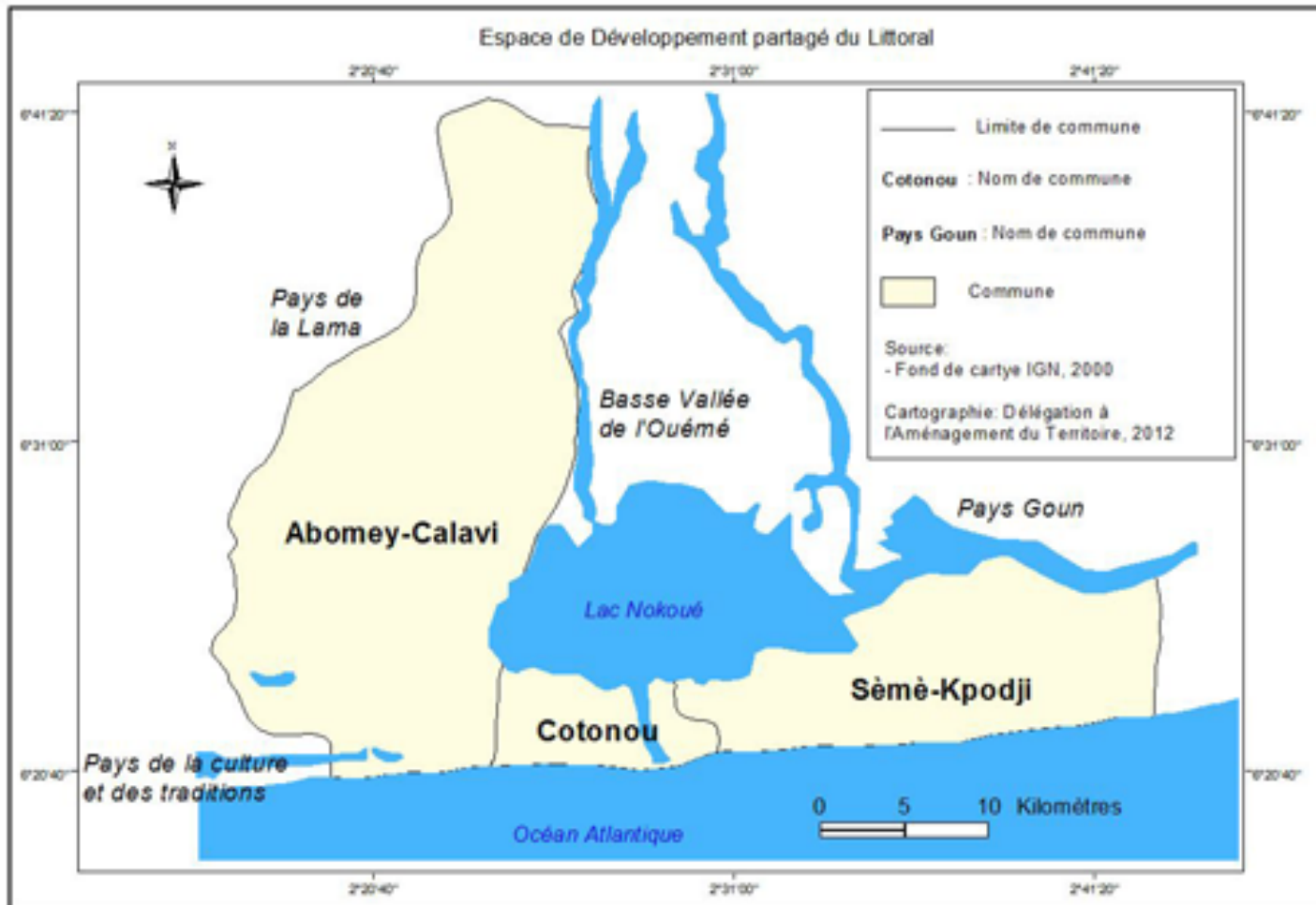
Research Questions

- Q1 What are the determinants and effects of education choices on youth employment outcomes?
- Q2 How does the school-to-work transition differ for young men and women?

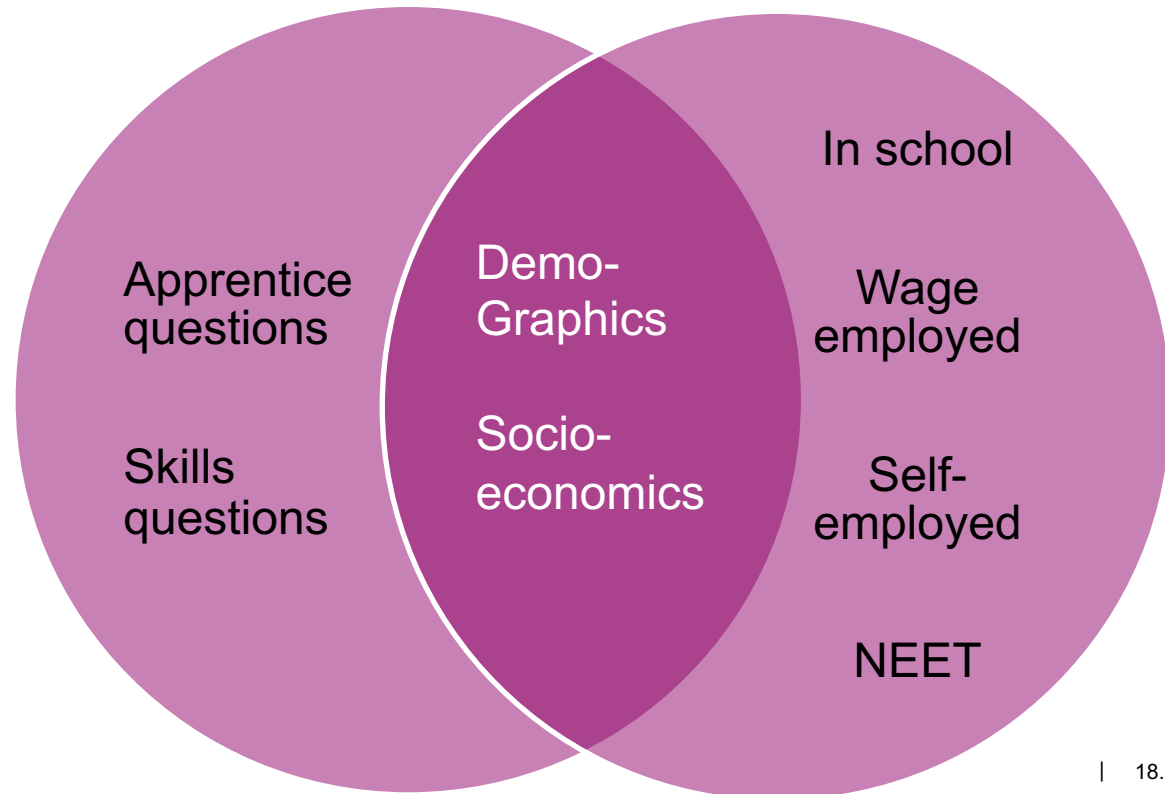Context: Youth aged 20-29 in urban Benin

Approach: Summary statistics (subgroup means & regression analysis)

Geographic coverage

Data

- Combination of two surveys
  - 268 apprentices from applicant pool to apprenticeship program
  - 777 randomly sampled non-apprentices

Sample size

N = 1,045

	Youth Survey		census %	% male
Apprentice	268	(25.65)	7.79%	88.06%
Employed	173	(16.56)	11.76%	55.49%
In School	184	(17.61)	31.07%	55.98%
NEET	267	(25.55)	17.25	31.84%
Self-Employed	153	(14.64)	32.13%	45.10%

Apprentices stay in the family business

- Apprenticeship is "inherited" from father's side
- 12 out of 13 employees are apprentices
  - 53% of training firms only hire apprentices
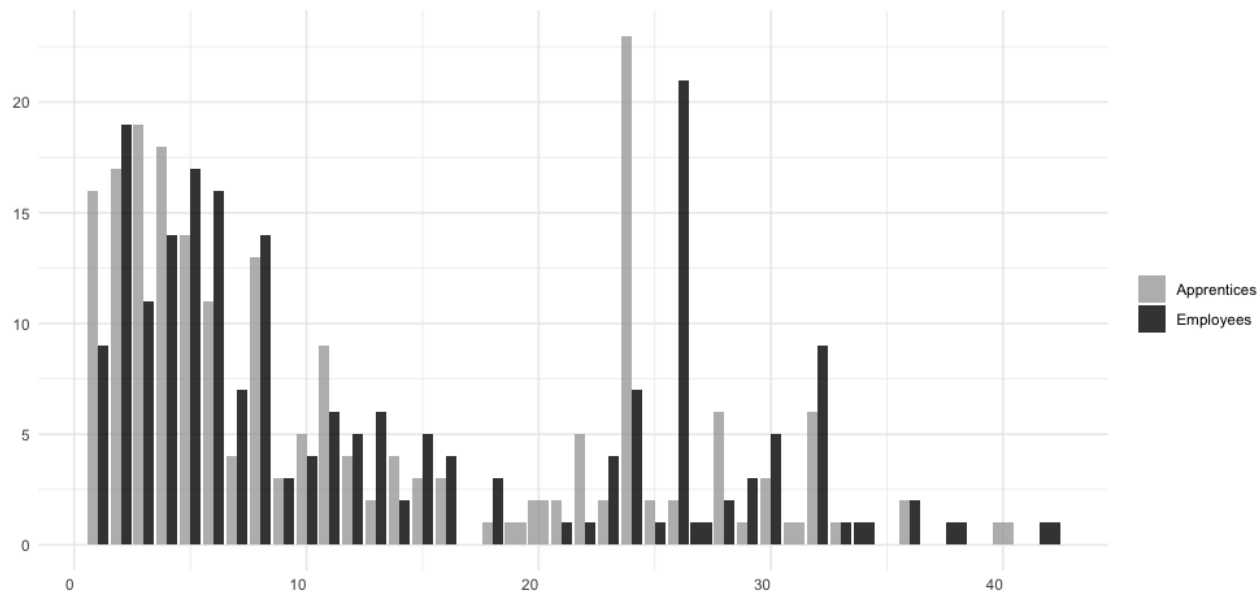
Employed youth are firmly in informal sector

- 54% have no contract
  - half of contracts verbal
- 95% make <110,000 FCFA (180 CHF) per month
- Responses at baseline indicate high turnover
  - <50% working for current employer for more than 1 year
  - 73% would like more hours, 65% looking for new job
- Low labor demand, even within firm

NEET youth are optimistic about their prospects

- Over two thirds report never having been employed
  - Nearly half had been out of work for 6+ months

Table 12: Where do you see yourself in five years?

|	NEET	Self-Employed	Wage Employed	Total
Still looking for work	8			8
	(2.92)			(1.29)
Same employer			20	20
			(10.99)	(3.22)
Different/new employer	58	43	47	148
	(21.17)	(26.06)	(25.82)	(23.83)
(Still) self-employed	191	103	91	385
	(69.71)	(62.42)	(50.00)	(62.00)
In education/training	11	3	16	30
	(4.01)	(1.82)	(8.79)	(4.83)
Other	6	16	8	30
	(2.19)	(9.70)	(4.40)	(4.83)
Total	274	165	182	621
	(100.00)	(100.00)	(100.00)	(100.00)

Students aspire to more of the same

- Nearly a third of all 20-29 year-olds still in education
- Mainly aspire to more education
  - 19% plan to start own business, compared to 76% of apprentices

Gender and education

- Urban Benin yet to arrive at gender parity in schooling

Figure 2: Probability of additional year of schooling
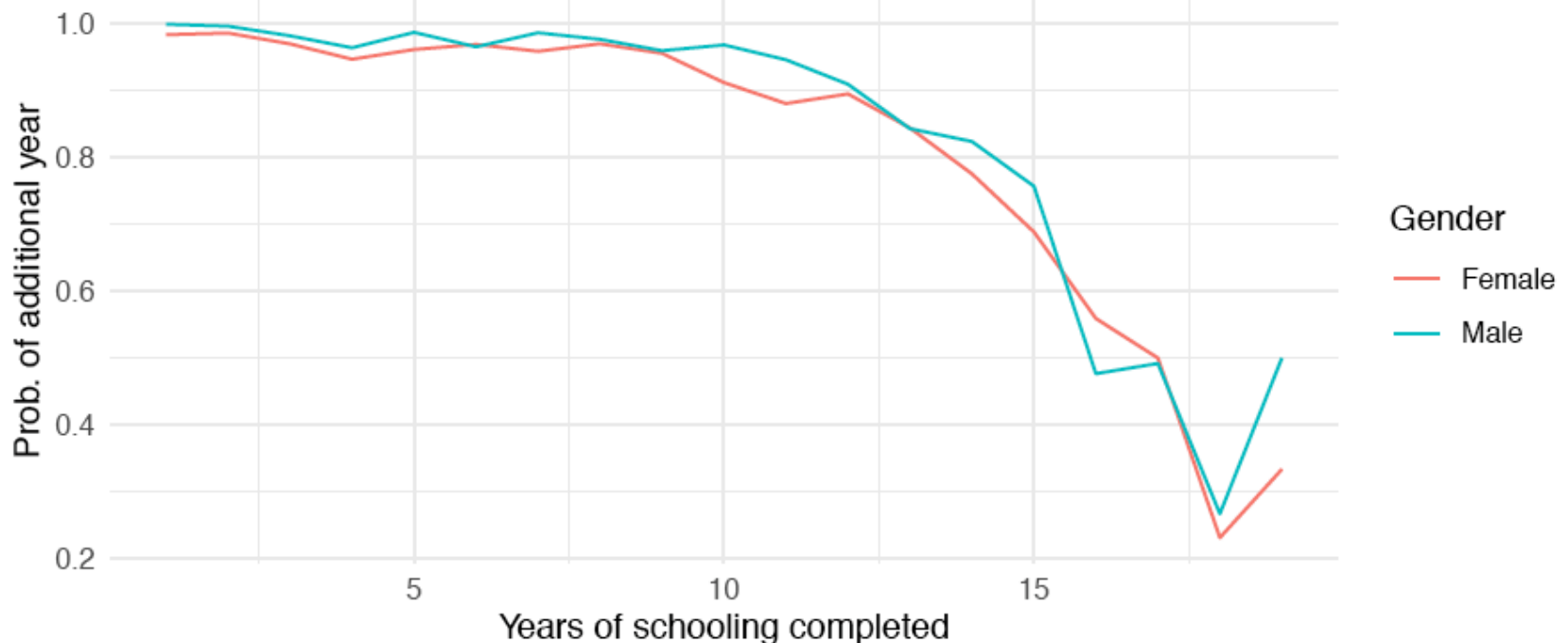
Regression analysis

Table 5: Educational Attainment Regressions

	Years of Schooling	At Least Secondary	BAC Holder
	Dependent variable:		
	OLS	logistic	logistic
Male	1.810***	1.285*	1.358**
	(0.279)	(0.137)	(0.151)
Num. Siblings	−0.064	0.989	0.959
	(0.055)	(0.027)	(0.030)
Father Secondary Grad.	2.551***	3.160***	3.658***
	(0.384)	(0.190)	(0.188)
Father Apprentice	−0.011	0.826	0.637***
	(0.293)	(0.143)	(0.161)
Mother Secondary Grad.	1.952***	4.298***	3.889***
	(0.639)	(0.388)	(0.337)
Mother Apprentice	0.594	1.784***	1.238
	(0.380)	(0.185)	(0.195)

Table A.16: Educational Attainment Regressions by Gender

	Dependent variable:					
	Years of Schooling		At Least Secondary		BAC Holder	
	OLS		_logistic_		_logistic_	
Father Secondary Grad.	3.407***	1.769***	3.991***	2.752***	3.003***	4.261***
	(0.653)	(0.446)	(0.298)	(0.257)	(0.286)	(0.263)
Father Apprentice	0.281	−0.204	0.858	0.783	0.621*	0.641**
	(0.514)	(0.331)	(0.236)	(0.187)	(0.262)	(0.209)
Mother Secondary Grad.	1.781	1.662**	16.440***	2.169*	5.361***	2.709**
	(1.087)	(0.747)	(1.047)	(0.458)	(0.555)	(0.456)
Mother Apprentice	1.178*	0.430	2.274***	1.768**	1.439	1.299
	(0.646)	(0.443)	(0.293)	(0.250)	(0.306)	(0.264)
Constant	−32.111	−30.114**	0.000**	0.000***	0.000	0.000***
	(19.695)	(13.891)	(9.318)	(8.021)	(10.006)	(9.106)
Observations	455	589	456	589	456	589
R^2	0.213	0.092				
Log Likelihood			-256.244	-372.528	-230.202	-325.001
Residual Std. Error	4.972 (df = 443)	3.765 (df = 577)				

Note: *p<0.1; **p<0.05; ***p<0.01

Regressions for females on left-hand side. Odds ratios reported for logistic regressions.

Results 1: Education

- Education rates are high and increasing
  - 31% of 20-29-year-olds still in school!

- Education choices influenced by parents
  - Gender gap of about 1-2 years of attainment

- Additional schooling decreases probability of self-employment

Results 2: After education

- Widespread informality
  - 75% of self-employed have no workers
  - 12 out of 13 workers employed in training firms are apprentices
  - Preliminary analysis of follow-up surveys suggests unstable activities

- Labor demand shortage
  - High education retention
  - Low formal employee numbers

- Importance of social networks (Matsumoto Elder 2010)

Up next

- Currently running third follow-up survey
  - Will allow for time-series analysis
- Impact of COVID-19 on youth employment, schooling, firms
- Choose direction for further analysis

Table 1: Activity transitions II: follow-up wave 1 to wave 2

Follow-up 1	Follow-up 2					
	School	NEET	Self-Employed	Wage Employed	Apprentice	Total
School	72	16	5	14	1	108
	(66.67)	(14.81)	(4.63)	(12.96)	(0.93)	(100.00)
	[79.12]	[9.20]	[3.76]	[7.82]	[0.69]	[14.96]
NEET	8	104	33	37	18	200
	(4.00)	(52.00)	(16.50)	(18.50)	(9.00)	(100.00)
	[8.79]	[59.77]	[24.81]	[20.67]	[12.41]	[27.70]
Self-Employed	7	21	64	17	9	118
	(5.93)	(17.80)	(54.24)	(14.41)	(7.63)	(100.00)
	[7.69]	[12.07]	[48.12]	[9.50]	[6.21]	[16.34]
Wage Employed	2	21	16	94	7	140
	(1.43)	(15.00)	(11.43)	(67.14)	(5.00)	(100.00)
	[2.20]	[12.07]	[12.03]	[52.51]	[4.83]	[19.39]
Apprentice	2	12	15	17	110	156
	(1.28)	(7.69)	(9.62)	(10.90)	(70.51)	(100.00)
	[2.20]	[6.90]	[11.28]	[9.50]	[75.86]	[21.61]
Total	91	174	133	179	145	722
	(12.60)	(24.10)	(18.42)	(24.79)	(20.08)	(100.00)
	[100.00]	[100.00]	[100.00]	[100.00]	[100.00]	[100.00]

(row % in parentheses)
[column % in brackets]

References

- Fox, Louise, Philip Mader, James Sumberg, Justin Flynn, and Marjoke Oosterom. 2020. *Africa's "youth Employment" Crisis Is Actually a "Missing Jobs" Crisis*. Brooke Shearer Series 9. Brookings Institute.

- ILO. 2020. *Global Employment Trends for Youth 2020: Technology and the Future of Jobs.* Geneva: International Labour Office.

- Lall, S. V., Henderson Jr, V. M., and Venables, A. J. (2017). Africa's Cities: Opening Doors to the World (English). African Regional Studies Program. Washington DC: World Bank Group.

- Manacorda, Marco, Furio Camillo Rosati, Marco Ranzani, and Giuseppe Dachille. 2017. "Pathways from School to Work in the Developing World." *IZA Journal of Labor & Development* 6 (1): 1.

- Matsumoto, Makiko, Sara Elder, International Labour Office, and Employment Policy Department. 2010. *Characterizing the School-to-Work Transitions of Young Men and Women: Evidence from the ILO School-to-Work Transition Surveys*. Geneva: ILO.

- Nilsson, Björn. 2019. "The School-to-Work Transition in Developing Countries." *The Journal of Development Studies* 55 (5): 745–64.

- Shehu, Erin, and Björn Nilsson. 2014. "Informal Employment among Youth: Evidence from 20 SWTS." Geneva: International Labour Office.