

Chapter 3

From youth employment preferences to jobs reality in developing countries

Accounts of well-being based on preference satisfaction or desire fulfilment say that people experience greater well-being to the extent that their preferences are satisfied or their desires are fulfilled. This chapter considers two aspects of subjective well-being in the sense of preference satisfaction that were discussed earlier: youth career aspirations and facets of job satisfaction. It then asks a simple question: How likely are these employment preferences to be satisfied given the reality of jobs in developing countries? The chapter starts by confronting youth employment preferences with realistic employment prospects. It then discusses the implications that a large gap in youth employment preference may have for public policy.

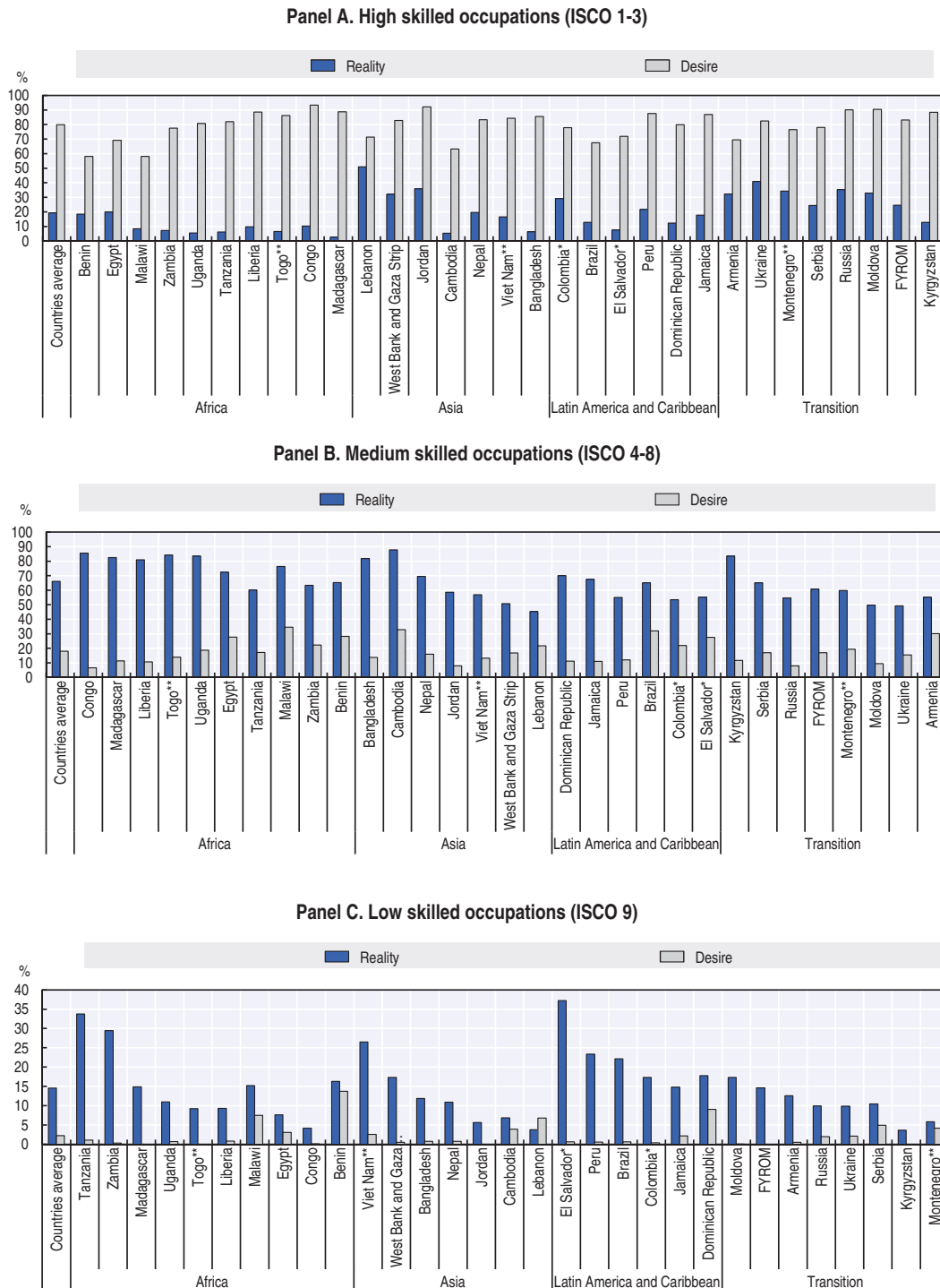
The question about the extent to which youth career aspirations are aligned with the reality of the labour market is critical to understanding youth well-being, firms' productivity and youth labour-market performance. For youth, this aspect of well-being depends on the degree to which one's preference is satisfied or one's desire fulfilled. Assuming that youth well-being is sufficiently correlated with or causally efficacious in bringing about greater preference satisfaction (Angner, 2012), then it is reasonable to believe that young people whose career preferences reflect realistic opportunities in the labour market would be better off, insofar as their career preferences are more likely to be satisfied. Beyond the direct cost of not fulfilling a desire, unrealistic aspirations can further entail the indirect cost of leaving youth inadequately equipped to cope with the reality of the labour market. Career preference satisfaction is also relevant for employers. Firms where employees are able to fulfil their job-related goals and aspirations tend to experience greater employee motivation, which leads to better productivity (Mann, Massey and Glover, 2013). A good alignment between youth career aspirations and the reality of jobs is also an indication that the youth labour market is working effectively in signalling to young people the type of opportunities that are available. To ensure a smooth school-to-work transition, it is necessary to help youth make well-informed decisions about how many years to study, which subject to choose or what type of initial work experience to seek. In contrast, broad misalignment in career aspirations and job opportunities may lead to low motivation, frustration or, worse, social unrest and large migration outflows.

Confronting youth career aspirations with the reality of the labour market

Youth career aspirations appear to be overly optimistic in light of today's and tomorrow's labour market needs. Evidence from the School-to-Work Transition Surveys (SWTS) shows that on average across countries, and in all 32 single countries that are covered by the surveys, a large majority of students want to work in a high-skilled occupation (80%), few want to take on a medium-skilled job (18%), and even fewer want to work in a low-skilled job (3%). However, only 20% of all young workers currently occupy a high-skilled job, while 66% hold a medium-skilled job and 15% have a low-skilled job (Figure 3.1). Accordingly, and holding all else constant, this indicates that 60% of the students wishing to work in a high-skilled occupation will most likely not fulfil their career aspirations, while as many as 73% of young workers in medium-skilled jobs and 80% in low-skilled jobs may not have been able to satisfy their career preferences. Considering that structural transformation may affect these estimates by increasing the demand for skilled labour, a similar exercise can be performed using the International Labour Organization (ILO) overall employment projections by skills level in 2021. The foresight analysis yields similar results and points to a large misalignment in youth career preferences and projected labour demand (Annex 3.A1, Figure 3.A1.1).

Career aspiration gaps are wide everywhere, but the depth differs across world regions, with challenge of unrealistic career aspirations most challenging in Africa and Latin America. On average, the gap between the share of students wanting to work in high-skilled occupations and the actual share of highly skilled young workers amounts to 54% in transition economies and 58% in Asian countries (Figure 3.1). The gap is still broader in Africa (65%) and in Latin American and the Caribbean (62%). Within world regions in general, the richer the country, the smaller the gap, as the share of high-skilled occupations tends to increase with the level of economic development. This is the case for Tunisia in Africa for example, but also for Lebanon and Jordan in Asia, and for Armenia and Ukraine in transition economies. A few poor countries, such as Benin, Malawi and Cambodia, also have relatively small career aspiration gaps, due to a relatively low share of students aspiring to work in high-skilled occupations.

Figure 3.1. Difference between the distribution of aspirations and the distribution of workers at different skills levels of the occupations by country (%)



Note: Countries are sorted by the difference between the share of young students who say they want to work in a high skilled (Panel A), medium skilled (Panel B) or low skilled (Panel C) occupation and the proportion of these categories in the 15-29 working population. Data are missing for Tunisia. FYROM corresponds to Former Yugoslav Republic of Macedonia.

* Data for Colombia and El Salvador refer to the urban population only.

** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

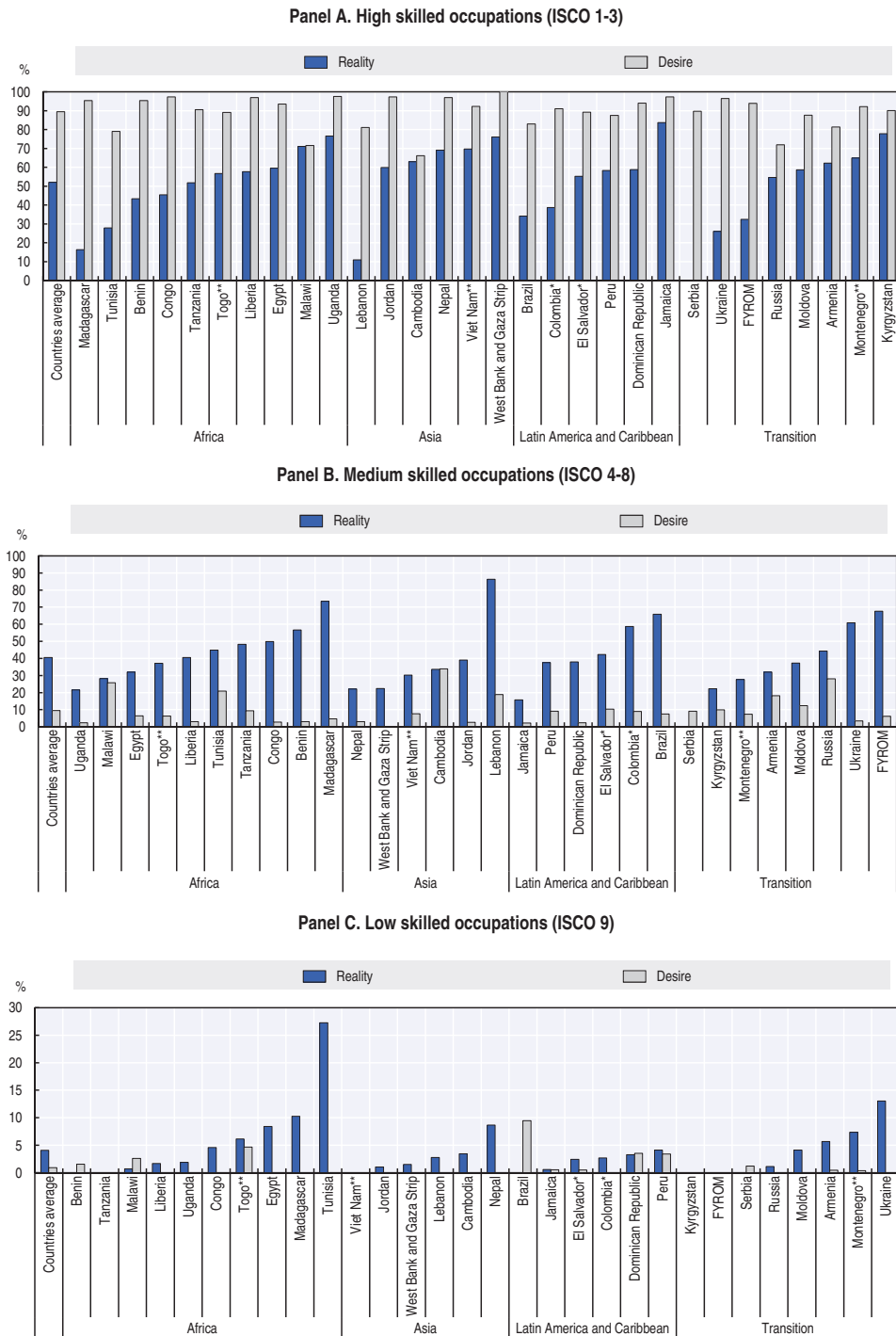
Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

A major concern is that the gap between youth career aspirations and the reality of the labour market persists for tertiary-educated students. Figure 3.2 reproduces the information presented above but focuses on students enrolled in tertiary education and young workers who have completed tertiary education. As such, it restricts the analysis to a population that a priori possesses the level of qualification required for a high-skilled occupation. The results show that the share of students declaring that they would like to work in high-skilled occupations is still much higher than the actual share of tertiary-educated young workers engaged in these occupations. The difference reaches 48% on average across countries, meaning that around 48% of tertiary-educated students wishing to work legitimately in a high-skilled job are unlikely to be able to do so. This indicates that reconciling the career aspirations of an ever increasing population of graduates with the capacity to produce high-skilled jobs is a major challenge in many developing and emerging countries. It also suggests that providing well-informed and early guidance on the opportunities and potential difficulties prevailing in the labour market can contribute to bringing young people closer to their aspirations.

While career aspirations of tertiary-educated students are similar across countries, the mismatch with the reality of jobs is less pronounced in more developed economies where employment opportunities for the highly skilled are greater. In most countries, the size of the high-skilled sector drives the degree of matching between aspirations and reality. While on average in each world region, around 90% of tertiary students want to work in a high-skilled occupation, there are large differences in the share of the tertiary population actually working in a high-skilled occupation (Figure 3.2). In Africa, only 36% of youth who completed tertiary education are engaged in a high-skilled occupation, compared to 59% in LAC and around 65% in transition and Asian economies. Within each region, richer and more developed economies have larger highly skilled sectors, and therefore smaller gaps between career aspirations and the reality of the labour market.

Africa stands out as the region with the largest share of tertiary-educated workers engaged in medium- or low-skilled jobs. On average across countries, a large share of tertiary-educated youth works in medium-skilled (40%) or even low-skilled (5%) occupations (Figure 3.2). The phenomenon is particularly important in Africa, where the share of highly educated youth working in medium-skilled occupations ranges from 86% in Liberia and 73% in Malawi to 38% in Egypt and 44% in Tanzania. While no students enrolled in tertiary education wish to work in a low-skilled occupation (with the noticeable exception of Cambodia), many of them will nonetheless end up in such occupations. In Africa, this is the case for up to 27% of young workers in Zambia, 13% in Togo and 10% in Malawi. In other world regions, a high share of tertiary-educated workers in low-skilled jobs is also observed in Peru (9%), El Salvador (8.5%) and West Bank and Gaza Strip (7.5%). These findings suggest that unlocking the potential of youth entrepreneurship among tertiary-educated youth, in particular in Africa, could create an interesting opportunity for students to use their skills efficiently, provided that well-designed entrepreneurship programmes are made easily accessible.

Figure 3.2. Youth career aspiration gaps for high-skilled occupations among tertiary-educated youth (%)



Note: Countries are sorted by the difference between the share of young students who say they want to work in a high skilled (Panel A), medium skilled (Panel B) or low skilled (Panel C) occupation and the proportion of these categories in the 15-29 working population for tertiary-educated individuals. Data are missing for Tunisia. As the proportion of tertiary students is small in many developing countries, these estimates have been calculated using small samples and therefore should be viewed with caution. FYROM corresponds to Former Yugoslav Republic of Macedonia.

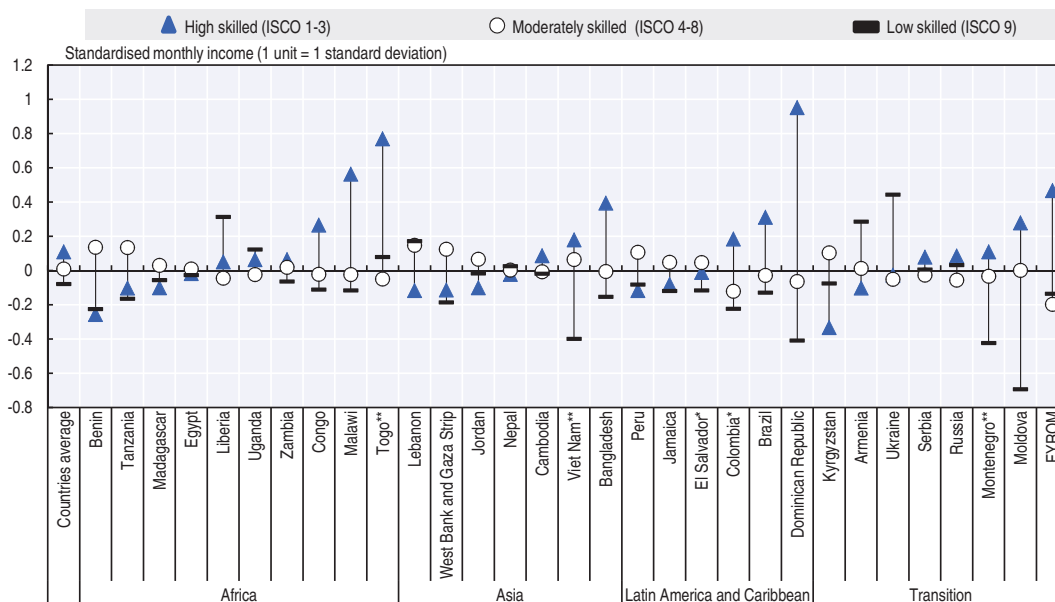
* Data for Colombia and El Salvador refer to the urban population only.

** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

Remarkably, students' career aspirations do not always reflect earning differentials across occupations. On average across countries, high-skilled occupations pay 0.1 standard deviation (SD) more than medium-skilled occupations and 0.2 standard deviation more than low-skilled occupations (Figure 3.3). Yet there are large differences across countries in the returns to occupations on the labour market. In 9 out of 32 countries (Armenia, Benin, Kyrgyzstan, Lebanon, Liberia, Peru, Tanzania, Ukraine and West Bank and Gaza Strip), average earnings are higher for medium-skilled and/or low-skilled occupations than for high-skilled occupations. This suggests that earnings differentials do not always explain the large misalignment in career aspirations and the reality of jobs.

Figure 3.3. High skilled occupations do not always pay higher wages



Note: Countries are sorted by the average monthly income observed for young workers engaged in high-skilled occupations within each group. Data are missing for Tunisia. FYROM corresponds to Former Yugoslav Republic of Macedonia.

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** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

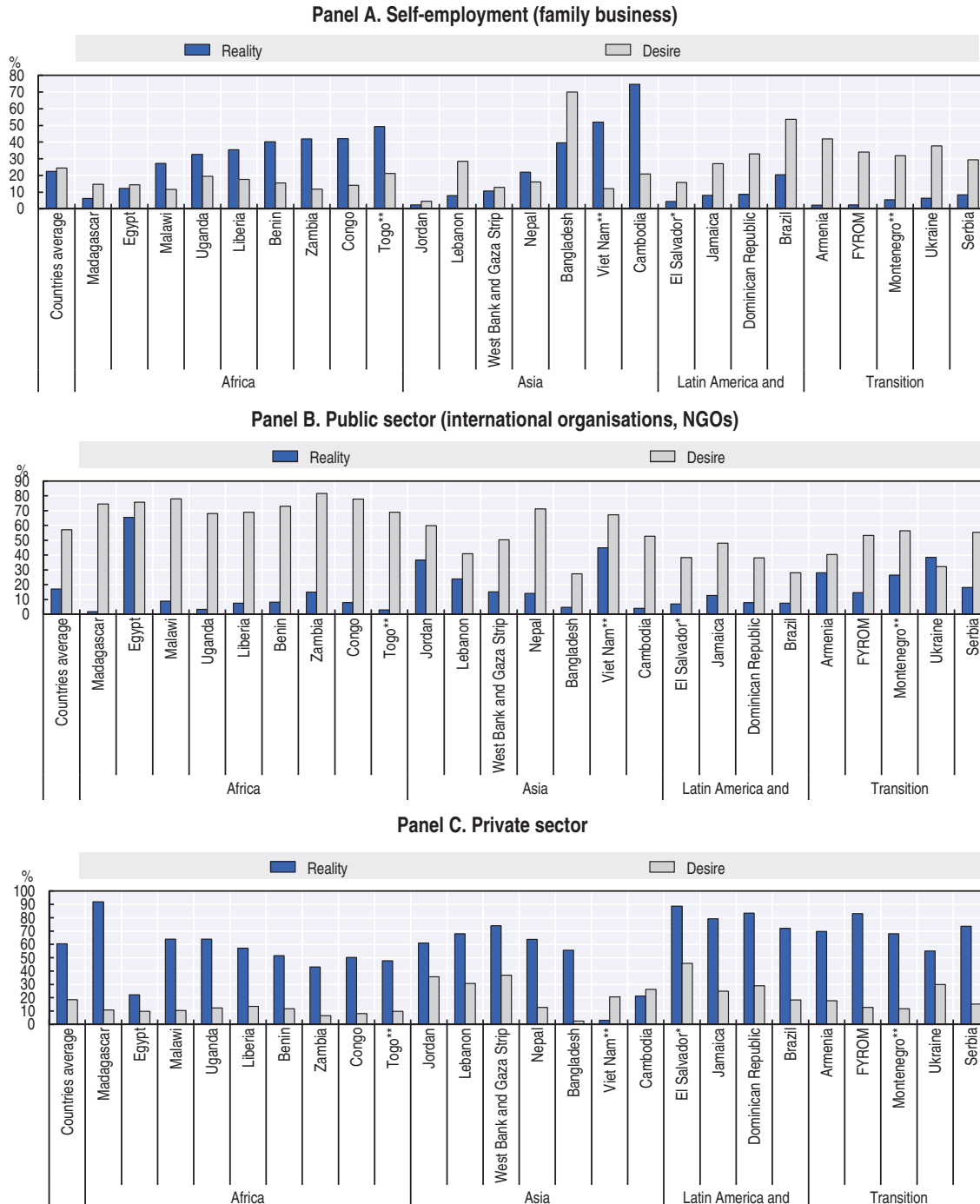
Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

The attractiveness of the public sector exceeds by far the employment opportunities it provides. While around 57% of students express the desire to work for the public sector on average across countries, the public sector accounts for a maximum of just 17% of employment among young workers (including workers at state-owned enterprises), potentially leaving 40% of young people with unmet aspirations (Figure 3.4). In contrast, the private sector accounts for 60% of youth employment while only 20% of young students said they wanted to work in this sector on average. These unbalances are likely to affect education choices and translate into phenomena such as job queuing in the public sector, which is largely observed in developing and emerging countries (see for instance Hyder, 2007, for Pakistan, and Mengistae, 1999, for Ethiopia). In this respect, extending youth access to social protection in the non-state sector and encouraging formal labour relations could reinforce the attractiveness of the private sector.

Self-employment appears to be more attractive to students in transition and LAC countries than the employment opportunities it represents, while in Africa the opposite is true. In Africa, with the exception of Egypt, the prevalence of youth entrepreneurship exceeds by far the share of young people wishing to become self-employed. This contrasts with LAC and transition countries, where becoming self-employed is a job-related goal reported by a much larger share of young people than the actual proportion of young workers in self-employment. In Asia, there is no such regional trend. The difference

between the share of young workers in self-employment and the share of students wishing to become self-employed is positive in countries like Viet Nam and Cambodia, negative in Lebanon and Bangladesh, and close to zero in Jordan, the Palestinian Authority, and Nepal.

Figure 3.4. Aspirations in terms of sector of activity



Note: Countries are sorted by the difference between the share of young students who say they want to work in self-employment (Panel A) within each country group. A similar ordering is kept for Panel B and C. In Panel B, wage employment in the public sector includes employment in international organisation, NGOs and public companies. Data are missing for Colombia, Peru, Russian Federation, Tanzania and Tunisia. FYROM corresponds to Former Yugoslav Republic of Macedonia.

* Data for El Salvador refer to the urban population only.

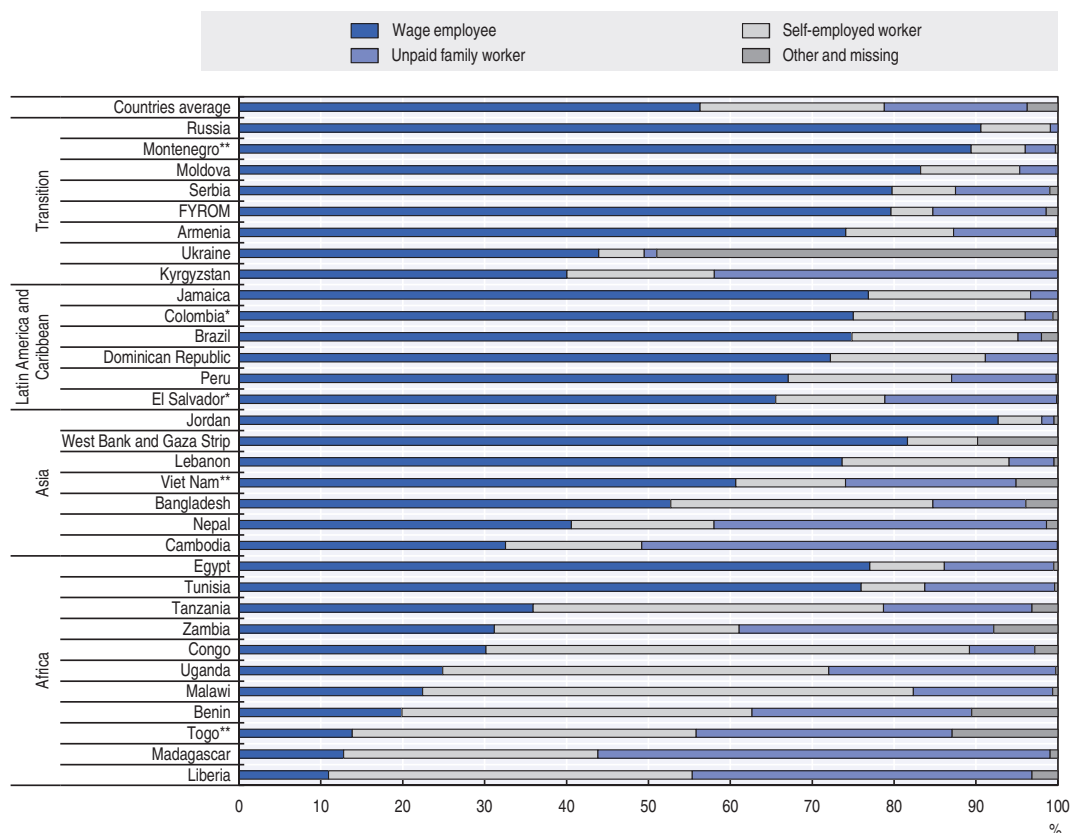
** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

The challenge of matching facets of job satisfaction with the reality of job conditions

Understanding the extent to which facets of job satisfaction match the reality of job conditions has important implications for workers, employers and policy makers. A number of important job-related drivers of job satisfaction among youth were identified in the previous chapter: being self-employed and contributing to family work by choice or for family reasons; working in high-skilled occupations and outside agriculture; earnings; job security; working in the formal economy; and having the right qualification in the job. The discussion below addresses the question of whether young people in developing countries are likely to encounter many or some of these facets of job satisfaction in their working life. The question is relevant for young workers, employers and policy makers alike, as the effects of low job satisfaction can be far reaching. Empirical evidence shows that when employees are not happy with their jobs, they are much more likely to experience stress at work. Job dissatisfaction can also spread through the workplace and undermine the morale of other employees and the overall productivity of the workforce. Low job satisfaction also causes higher turnover rates with employees who, sooner or later, will quit to find a job that they actually enjoy.

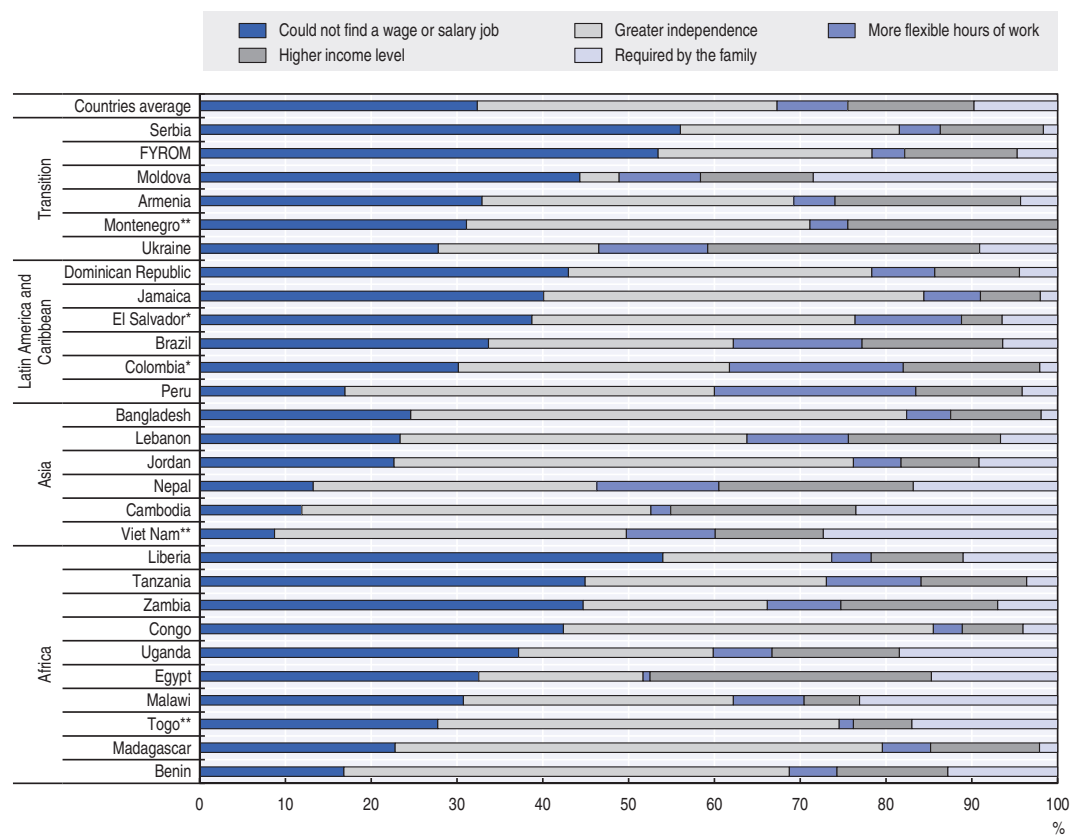
Figure 3.5. Distribution of young workers by employment status



Note: Countries are sorted by the proportion of wage employees within each group. Data are missing for Tunisia.
 * Data for Colombia and El Salvador refer to the urban population only. FYROM corresponds to Former Yugoslav Republic of Macedonia.
 ** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.
 Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

Self-employment by choice or for family reasons, a facet of job satisfaction, is a relatively common form of employment among young people aged 15-29 years in low-income countries. On average in the SWTS data, most young workers are engaged in wage employment (56%). Yet self-employment (22.5%) is much more common in the countries surveyed than in OECD member countries (Figure 3.6).¹ There are also disparities across regions. Self-employment is particularly important in sub-Saharan Africa, where it is by far the most common employment status (from 30% in Zambia to 60% in Malawi), followed by South and Southeast Asia (from 9% in Cambodia to 32% in Bangladesh) and Latin America and the Caribbean (from 13% in El Salvador to 20% in Brazil). Additional light is cast by looking at the extent to which self-employment is chosen voluntarily, for family reasons or by default. On average across countries, only 32% of young self-employed workers joined self-employment by default, i.e. because they could not find wage employment (Figure 3.7). This indicates that the remaining 68% were able to engage in a form of self-employment that constitutes an important facet of job satisfaction (by choice or required by the family). The share of young workers benefiting from these satisfying forms self-employment also varies greatly between and within world regions: in Asia, from 75% of total youth self-employed workers (Bangladesh) to 91% (Viet Nam); in LAC, from 57% (Dominican Republic) to 83 % (Peru); in Africa, from 46% (Liberia) to 83 % (Benin); and in transition countries, from 44% (Serbia) to 72% (Ukraine).

Figure 3.6. Distribution of self-employed youth workers according to their reason for being self-employed



Note: Countries are sorted by the proportion of self-employed workers who could not find wage employment within each group. Data are missing for Kyrgyzstan, West Bank and Gaza Strip, Russian Federation and Tunisia.

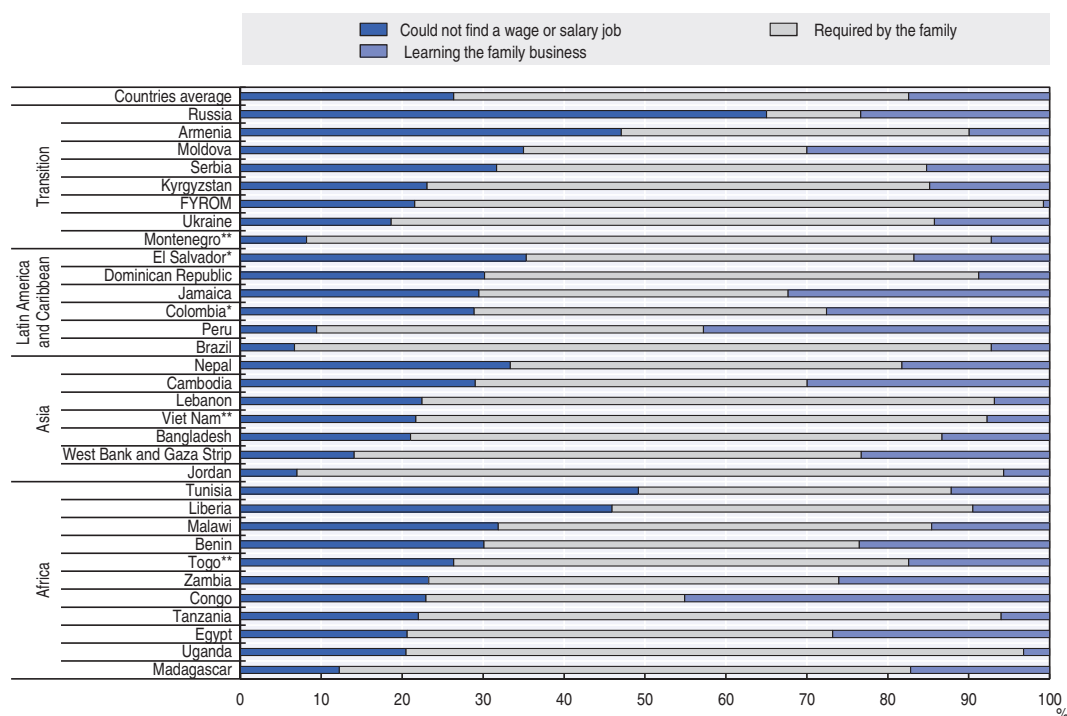
* Data for Colombia and El Salvador refer to the urban population only. FYROM corresponds to Former Yugoslav Republic of Macedonia.

** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

Engaging in unpaid family work, which impacts job satisfaction differently depending on the reasons for it, is not an unusual form of employment in developing countries. Contributing family workers, often referred to as unpaid family workers, engage in a specific and common form of employment in many developing countries. They are not inactive – they are actually working in the family business or activity – but do not receive an explicit payment (either in kind or cash) for their work. Usually they receive food and lodging in exchange for their contribution. Data from the SWTS show that, on average across countries, about 17.5% of all young workers were contributing family workers (Figure 3.7). Yet this average hides important disparities across and within world regions. The share of young workers in unpaid family work ranges from 8% (Republic of the Congo) to 55% (Madagascar) in Africa; from almost 0% (West Bank and Gaza Strip) to 51% (Cambodia) in Asia; from 3% (Brazil) to 21% (El Salvador) in LAC; and from less than 1% (Russian Federation) to 42% (Kyrgyzstan) in transition countries. An examination of the reasons why young people engage in unpaid family work indicates that few voluntarily choose in this status, while families play a central role. On average across countries, young people engage in family work mostly because it is required by the family (56%), and also as a way to learn the family business (17%). When unpaid family work is not a choice by default, i.e. for lack of other options, it can be associated with a higher satisfaction level than wage employment. This is the case, for example, in many African countries, where unpaid family work is widespread (see above, Figure 2.2, Panel B).

Figure 3.7. Distribution of unpaid family workers according to their reason for joining this status



Note: Countries are sorted by the proportion of unpaid family workers who could not find wage employment within each group. FYROM corresponds to Former Yugoslav Republic of Macedonia.

* Data for Colombia and El Salvador refer to the urban population only.

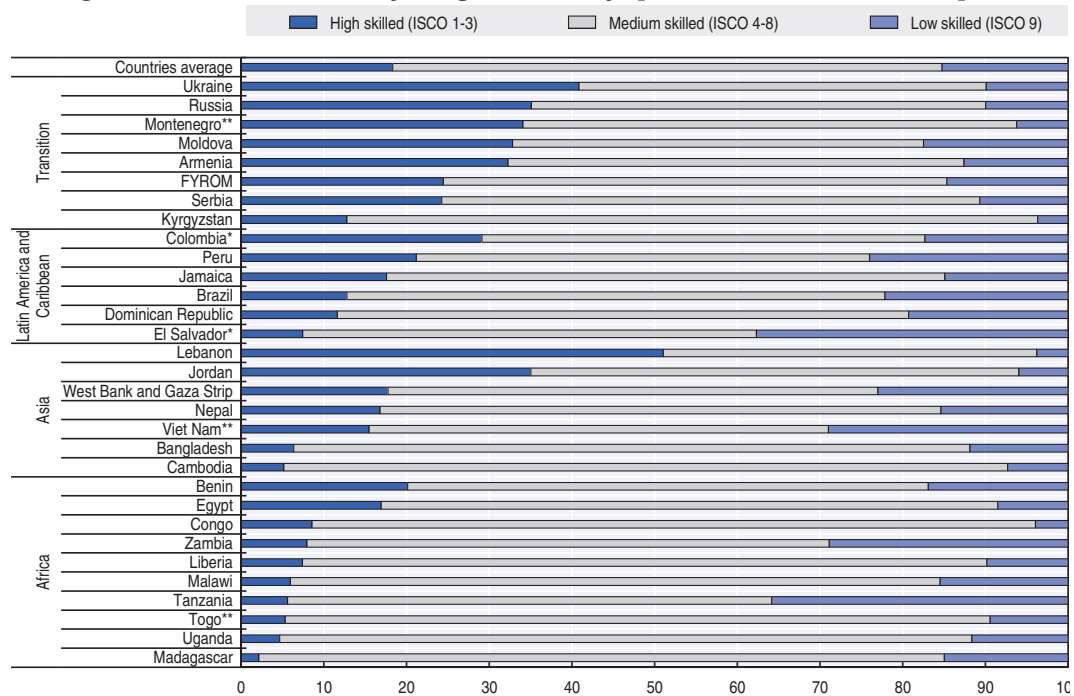
** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

While high-skilled jobs bring about greater job satisfaction, few young people in developing countries are able to take on such jobs. The distribution of workers across occupations presented in Figure 3.8 reflects both the overall structure of the economies and the types of occupations that are more accessible to young people. On average across countries, only 18% of young workers are engaged in high-skilled occupations, compared

to about 67% in medium-skilled occupations and 15% in low-skilled occupations. There are large occupational differences between and within world regions, however. In transition economies and the Middle East, a relatively greater proportion of young workers are engaged in high-skilled occupations (from 13% in Kyrgyzstan to 41% in Ukraine, and from 18% in West Bank and Gaza Strip to 51% in Lebanon), and fewer youth workers are in low-skilled occupations (from 4% in Kyrgyzstan to 17% in Moldova, and from 4% in Lebanon to 23% in West Bank and Gaza Strip). This contrasts with Africa, South and South-East Asia and, remarkably, LAC, where only a small share of working young people are engaged in high-skilled occupations (from 2% in Madagascar to 20% in Benin; from 5% in Cambodia to 17% in Nepal; and from 7% in El Salvador to 29% in Colombia). Those in low skilled jobs range from 4% in Congo to 36% in Tanzania; from 7% in Cambodia to 29% in Viet Nam; and from 15% in Jamaica to 38% in El Salvador.

Figure 3.8. Distribution of young workers by qualification level of occupation



Note: Countries are sorted by the proportion of workers engaged in a high-skilled occupation within each group. Data are missing for Tunisia. FYROM corresponds to Former Yugoslav Republic of Macedonia.

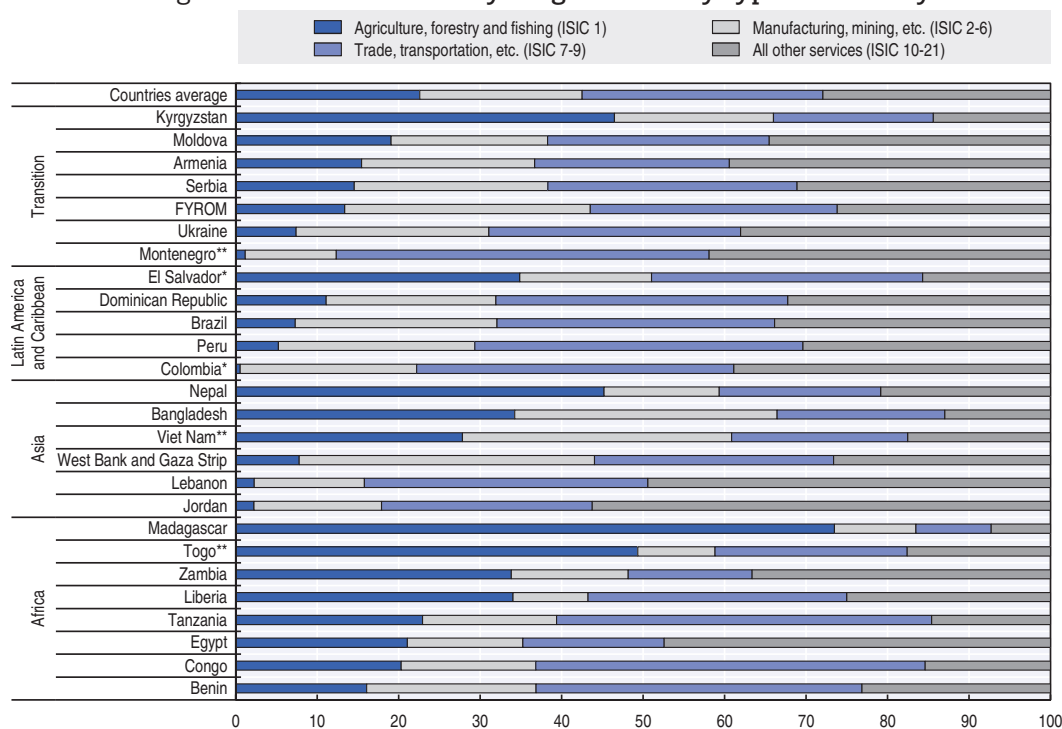
* Data for Colombia and El Salvador refer to the urban population only.

** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

Agriculture remains an important source of jobs for many young people in several countries, even though it does not produce high job satisfaction. On average across countries, the distribution of industries across young workers is quite balanced, with around 22% in agriculture, 20% in manufacturing and construction, 30% in trade and transportation, and 28% in all other services (Figure 3.9). As we have seen, young workers in agriculture are less often satisfied with their work than those in other occupations. Yet agriculture remains an important source of jobs for many young people in several countries in the developing world (AfDB/OECD/UNDP/UNECA, 2012). One out of three young workers is engaged in agriculture in a number of countries in Africa (Liberia, Madagascar, Togo and Zambia), Asia (Bangladesh and Nepal), Latin America and Caribbean (El Salvador) and in transition countries (Kyrgyzstan). This indicates the importance of investing in agriculture, improving access to markets, developing the use of information and communication technology, and supporting innovations in the sector in order to reconcile young people with agriculture and attract talented young people to agriculture-related occupations.

Figure 3.9. Distribution of young workers by type of industry



Note: Countries are sorted by the proportion of workers engaged in a high-skilled occupation within each group. Data are missing for Tunisia. Based on the International Standard Industry Classification (ISIC), industries are aggregated in four categories: agriculture, forestry and fishing (ISIC 1); manufacturing, mining, electricity and water supply related activities and construction (ISIC 2-6); wholesale and retail trade, repair, transportation and storage, accommodation and food services activities (ISIC 7-9); and other services activities including information, communication, finance, real estate, administrative services, education, etc. (ISIC 10 to 21). FYROM corresponds to Former Yugoslav Republic of Macedonia.

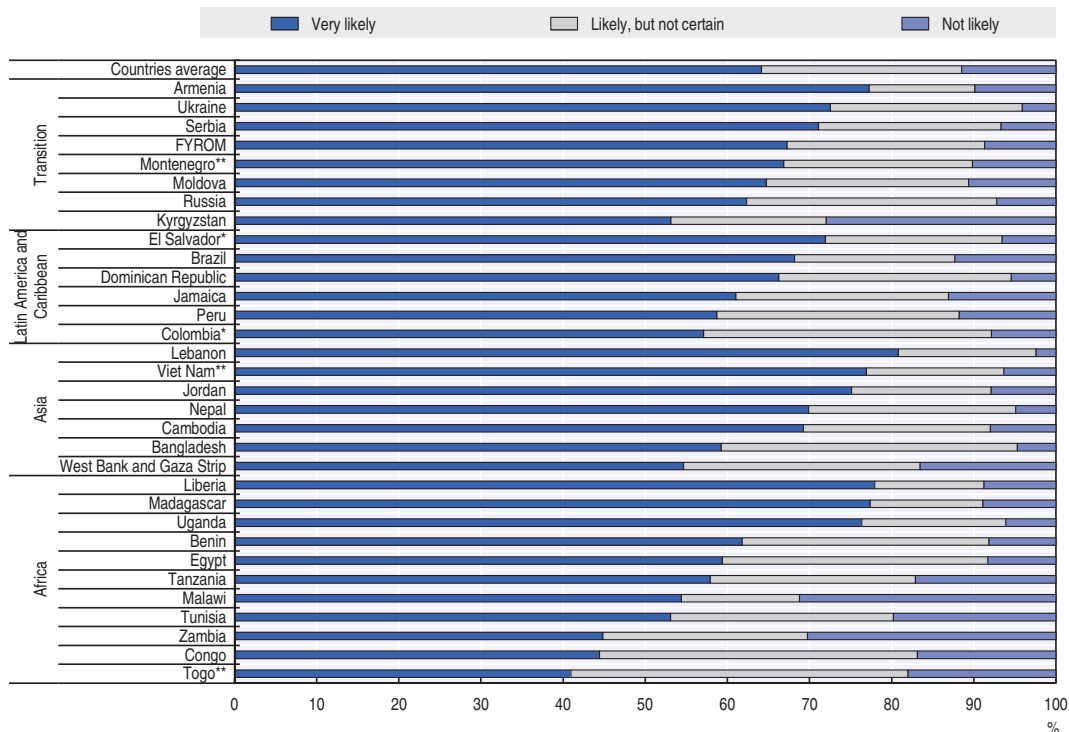
* Data for Colombia and El Salvador refer to the urban population only.

** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

Low levels of job security, which drive job satisfaction down, affect a non-negligible proportion of young workers. Two indicators can be used in the SWTS to assess the level of job security among the youth workforce in developing countries. The first indicator is subjective and relates to the likelihood that the worker will keep the current employment situation over the next 12 months. The second indicator is objective, but restricted to wage employees only, and refers to the employee's type of contract (unlimited versus limited). On average across countries, and regarding the first indicator, 64% of young workers report that they are very likely to keep their current employment situation, about 25% that they are likely but not certain and 11% that it is not likely (Figure 3.10). However, the level of job security varies widely across countries. For instance, the share of young workers not likely to keep their jobs is below 5% in Bangladesh, Lebanon, Nepal and Ukraine, but above 30% in Zambia and Malawi. Regarding the second indicator, the SWTS show that, on average, 69% of young wage employees benefit from an unlimited work contract (Figure 3.11). But this average hides important disparities across regions and countries. Only 58% of youth wage employees in Africa have contracts of unlimited duration, compared to more than 70% in Asia, LAC and transition economies. Fewer than half of wage employees benefit from an unlimited contract in Egypt, Malawi, Viet Nam, Montenegro and Peru. Addressing job security concerns thus appears to be one of the most important directions toward better job satisfaction.

Figure 3.10. Likelihood of keeping the same job over the next 12 months, among all workers



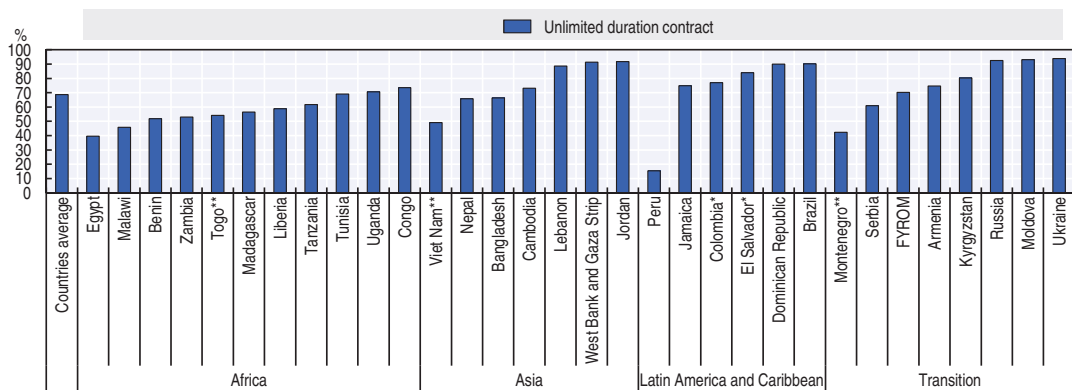
Note: Countries are sorted by the proportion of workers who think are very likely to keep their job within each group.

* Data for Colombia and El Salvador refer to the urban population only. FYROM corresponds to Former Yugoslav Republic of Macedonia.

** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

Figure 3.11. The share of young wage employees with contracts of unlimited duration



Notes: Countries are sorted by the proportion of wage employees with an unlimited contract within each group.

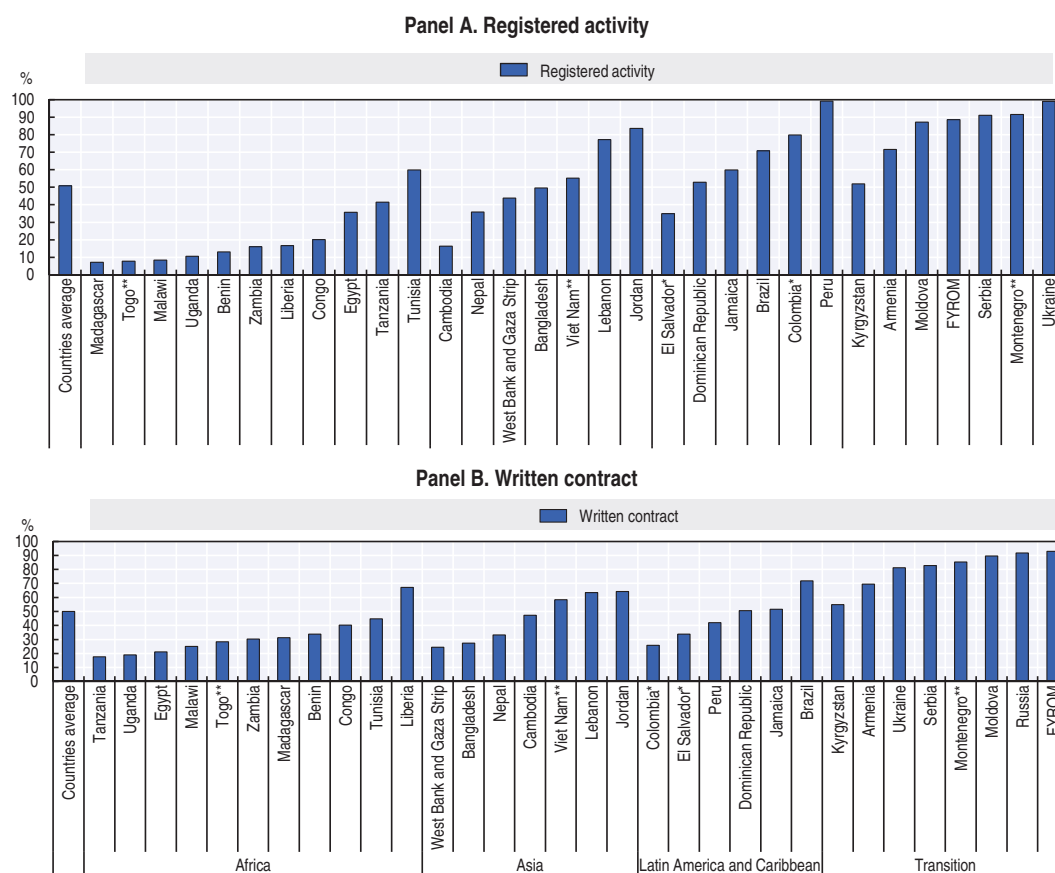
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** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Sources: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

While more formal labour relations raise job satisfaction, a large number of young people work in the informal economy. On average across countries, only 50% of young workers are engaged in a registered activity (Figure 3.12, Panel A). Looking beyond aggregate figures further shows large disparities across world regions. While the share of young workers engaged in a registered activity is above 80% in transition countries and about 67% in LAC, it declines to 52% in Asia and to 21% in Africa. A similar trend emerges when looking at the share of wage employees covered by a written contract. On average, only 50% of all youth wage employees are covered by a written contract, but there are large regional disparities (Figure 3.12, Panel B). In Africa and Asia, the majority of young wage employees report having only an oral agreement. In LAC countries, oral agreements are also common. Only in transition economies do few young wage employees report oral agreements.

Figure 3.12. Informality among young workers in developing countries, %



Note: Countries are sorted by the proportion of workers who work in a registered activity (Panel A) and who benefit from a written contract (Panel B) within each group. Data from the Russian Federation are missing.

* Data for Colombia and El Salvador refer to the urban population only. FYROM corresponds to Former Yugoslav Republic of Macedonia.

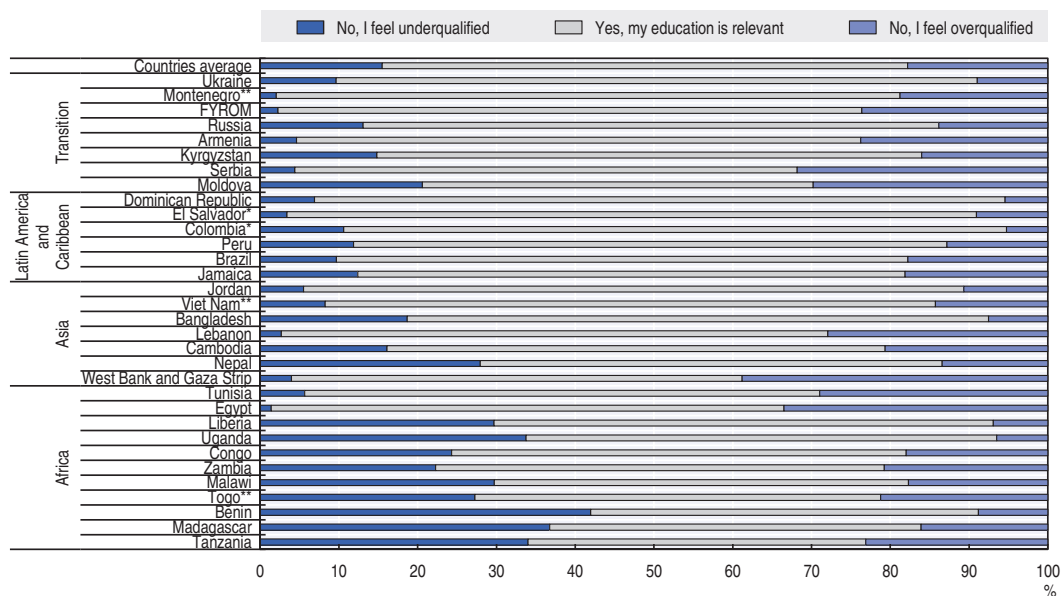
** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

Many young workers experience skills mismatch, which is an important source of job dissatisfaction. Possessing qualifications and skills in line with job requirements is often seen as a crucial component of the quality of the working environment and is a strong driver of job satisfaction. There are various ways to measure the adequate level of skills and education for a given occupation. This report considers two measures. The

first measure is based on a subjective assessment of the relevance of young workers' education to their current employment. The second measure refers to the normative ILO definition, which relies on a general accepted equivalence between occupations and the level of education required (ILO, 2012).² While the two measures need not be perfectly consistent as they highlight different aspects of the skills mismatch, comparing them shows that young workers feel more confident about the adequacy of their qualifications than what is observed based on the ILO normative measure (Annex 3.A2, Figure 3.A2.1). Both measures point to a large skills mismatch, however. According to the subjective measure, about two-thirds of young workers on average judge that their education was relevant to their job. Across world regions, feelings about qualification mismatches are higher in African countries, where only 55% of workers declare their training relevant, against 70% in transition and Asian countries, and 80% in LAC countries (Figure 3.13). The nature of the skills mismatch (overqualification versus underqualification) also varies across countries. More than one out of four young workers feels overqualified in Egypt (33%) and Tunisia (29%) in Africa; West Bank and Gaza Strip (38%) and Lebanon (28%) in Middle East Asia; and Serbia (32%) and Moldova (30%) in transition countries. At the same time, underqualification is reported by a large number of young workers in African countries such as Benin (42%), Madagascar (37%), Tanzania and Uganda (34%), Malawi and Liberia (30%), and Togo (27%), as well as in Nepal (28%) in Asia. Using a normative approach shows similar results on the skills mismatch across countries but points to a higher proportion of the phenomenon, with only 44% of adequately qualified workers on average across countries (Figure 3.14).

Figure 3.13. Young workers' perceptions about the relevance of their education to their current job requirements



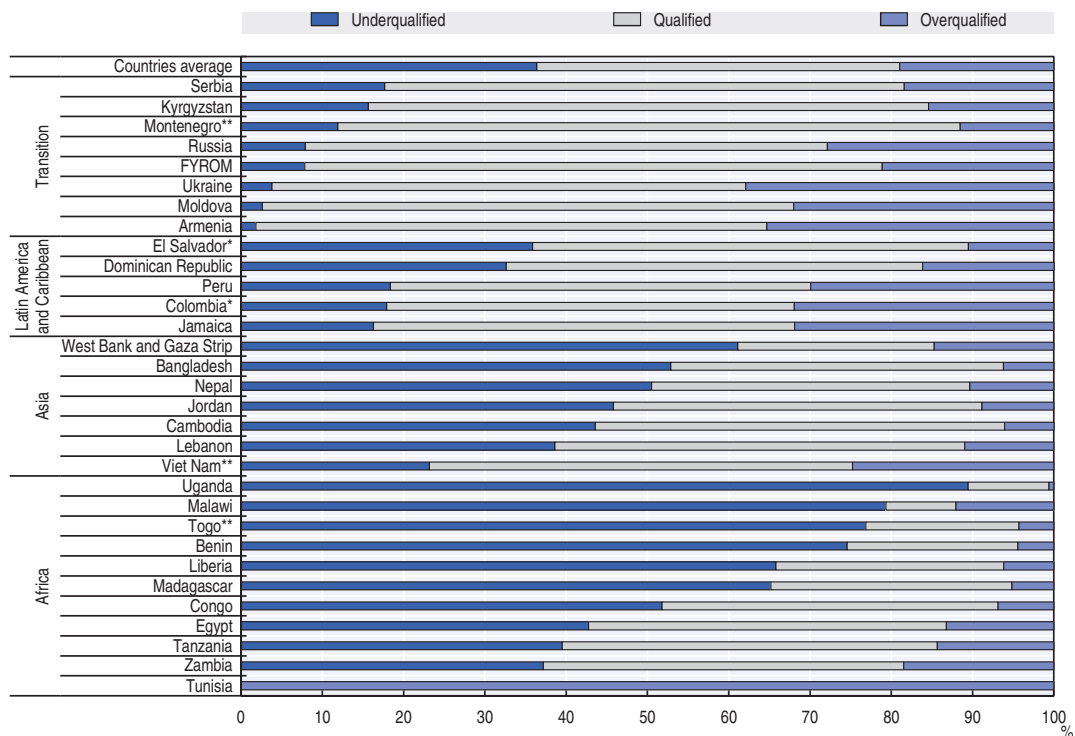
Note: Countries are sorted by the proportion of workers who feel they have relevant qualifications within each group.

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** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

Figure 3.14. Qualification according to a normative mismatch measure based on the level of education required for each type of occupation, %



Note: Countries are sorted by the proportion of workers who are underqualified according to the normative measures within each group. The normative mismatch measure is based on a mapping of ISCO-08 major groups to ISCED skills levels as follows. An individual working in a high-skilled occupation (ISCO 1-3) should have completed at least some tertiary education, an individual working in a medium-skilled occupation (ISCO 4-8) should have completed (general or vocational) secondary education and an individual working in a low-skilled occupation (ISCO 9) should have completed at least primary education. These individuals are considered as adequately qualified and, if this is not the case, they enter into the over- or underqualified category. Data from Brazil and Tunisia are missing. FYROM corresponds to Former Yugoslav Republic of Macedonia.

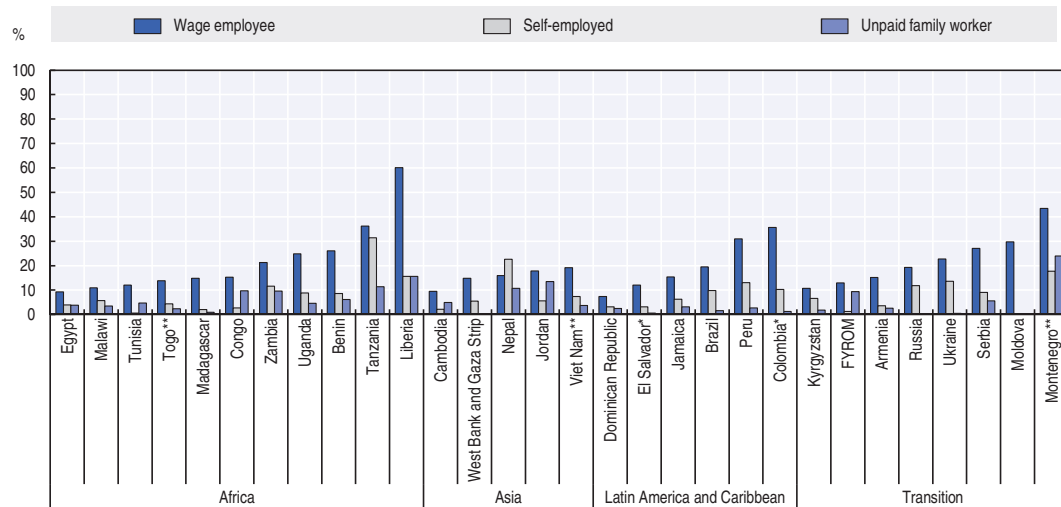
* Data for Colombia and El Salvador refer to the urban population only.

** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

As a response to the qualification mismatch, a small number of enterprises offer training opportunities, which are valued by workers. The share of young workers being offered a training opportunity is surprisingly similar across world regions. On average, around 20% of young workers benefit from such an opportunity (Figure 3.15). This is remarkably low given the importance of the skills mismatch in developing countries, even if there is wide diversity across countries. Training opportunities mainly benefit wage employees (24%), but are not inexistent among self-employed workers (14%) and unpaid family workers (11%).

Figure 3.15. Share of young workers who are offered some training at work, by employment status (%)



Note: Countries are sorted by the proportion of wage employees being offered some training at work within each group. Data from Bangladesh and Lebanon are missing due to inconsistency. The information on training opportunity is missing for more than 60% of observations in Dominican Republic and Jamaica. FYROM corresponds to Former Yugoslav Republic of Macedonia.

* Data for Colombia and El Salvador refer to the urban population only.

** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, ILO.

All in all, the findings of this study indicate that there is an urgent need to act now on the large gap between youth aspirations and the reality of the labour markets. Evidence from the 32 developing countries examined in this study indicates that the career aspirations of young people have little in common with current and projected labour demand, and that several job characteristics that young people value and that raise their satisfaction at work are pretty rare in many of these countries. Matching youth career aspirations and facets of job satisfaction with the reality of labour markets can play an essential role in youth well-being and social cohesion at large. In contrast, there is good reason to believe that a large employment preference gap is a significant problem. Misalignment between youth employment preferences and the availability of realistic employment prospects makes it much less likely that young people will experience smooth school-to-work transitions. A large gap might decrease motivation and productivity, fuel frustration, hamper well-being and even result in social unrest.

Reducing the youth employment preferences gap will take time, but it is possible. To address the misalignment between youth employment preferences and the availability of realistic employment opportunities, national policy makers should focus on a two-pronged strategy of: i) helping young people shape career aspirations that are realistic and that can fit with the world they will be entering, and ii) improving the quality of jobs with due regard to those job conditions that matter for young people. To be realistic, this strategy would need to be tailored to specific country contexts and recognise that the process of narrowing the gap between youth employment preferences and the reality of jobs may take time.

Notes

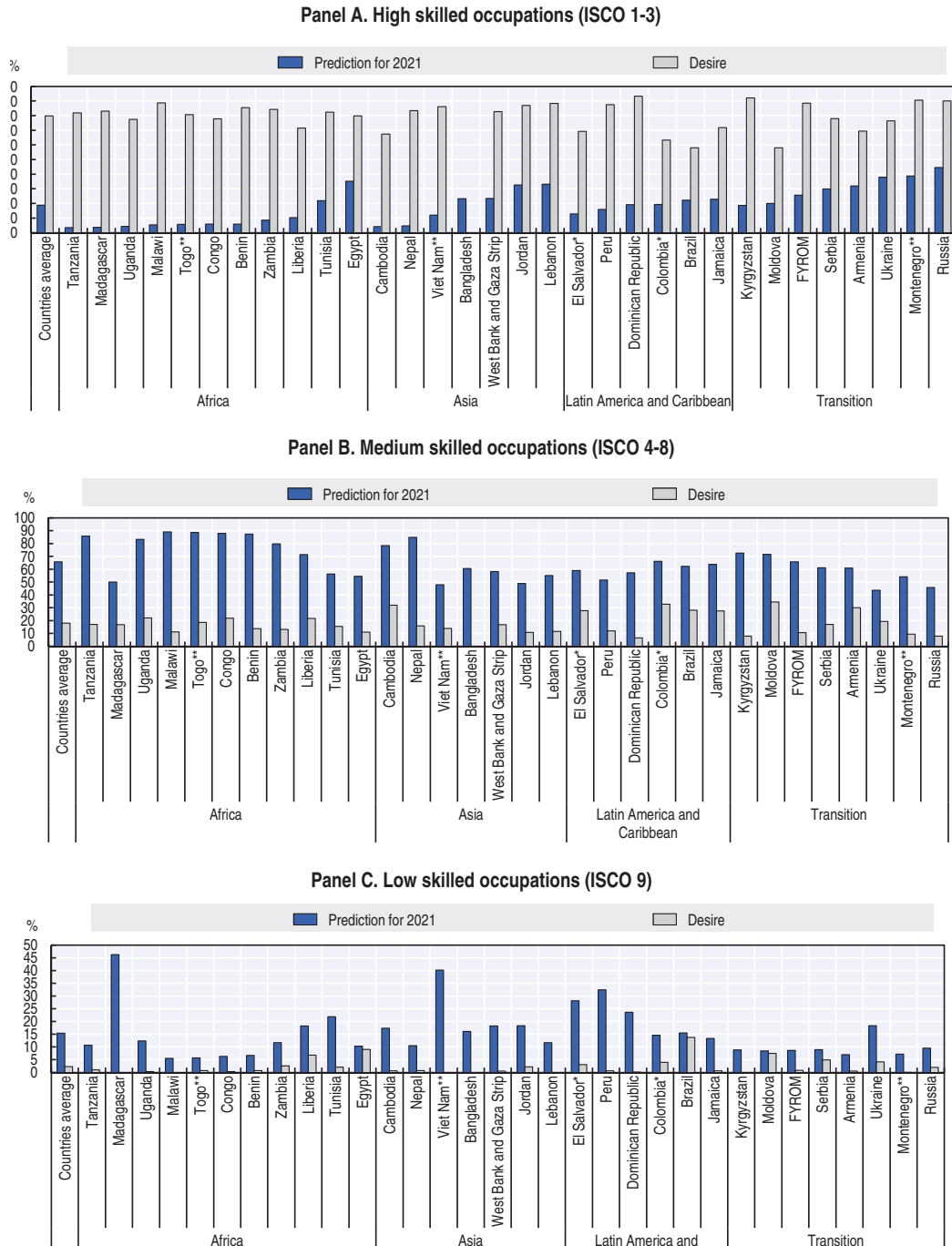
1. In this report, the self-employed category encompasses employers, own-account workers and members of a co-operative.
2. Typically, high-skilled occupations (ISCO 1-3) require at least some tertiary education (corresponding to the International Standard Classification of Education, ISCED, levels 3 and 4); medium-skilled occupations (ISCO 4-8) require at least some general or technical secondary certificate (ISCED 2); and low-skilled occupations (ISCO 9) require at least completion of primary school (ISCED 1).

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Annex 3.A1. Aspirations and predicted distribution of activities

Figure 3.A1.1. Predicted distribution of activities for workers in 2021 (ILO prediction) and aspirations of students across level of qualification of occupations in developing countries (%)



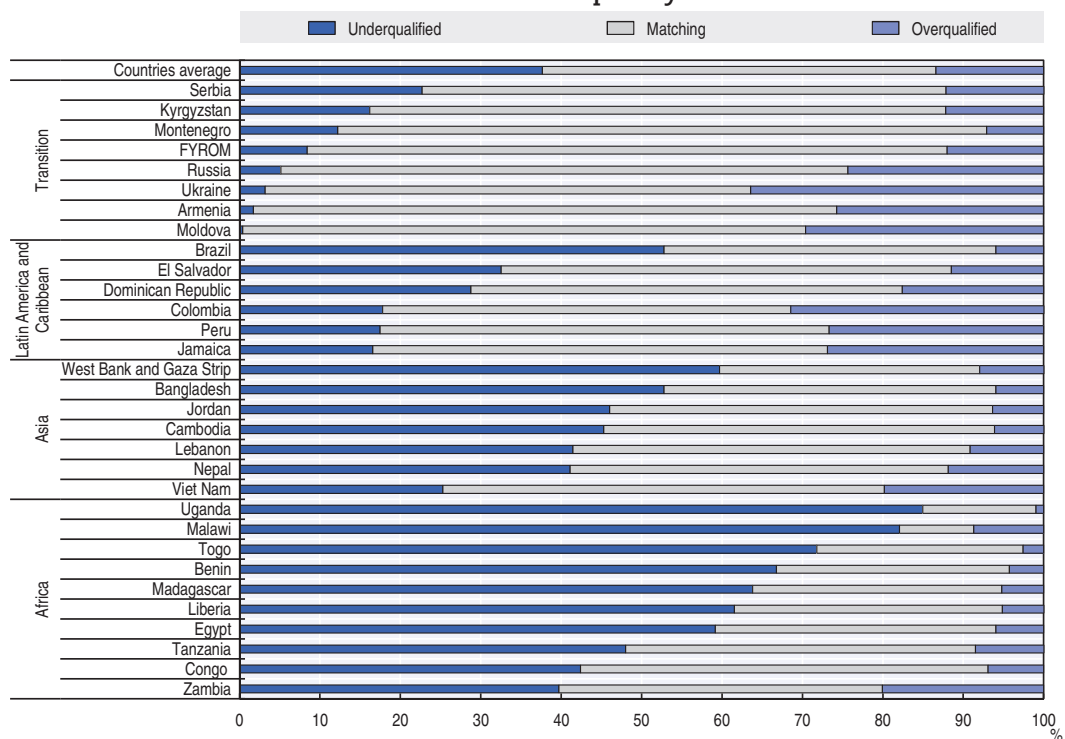
Note: Countries are sorted by the difference between the share of young students who say they want to work in a high-skilled (Panel A), medium-skilled (Panel B) or low-skilled (Panel C) occupation and the proportion of these categories for the whole working population as per the ILO's prediction for 2021. FYROM corresponds to Former Yugoslav Republic of Macedonia.

* Data for Colombia and El Salvador refer to the urban population only.

** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data. Source: Own calculations based on School-to-Work Transition Surveys 2012-2015, and ILOSTAT (2016), "Employment by occupation – ILO modelled estimates," Nov. 2016.

Annex 3.A2. Comparison of normative and subjective skills mismatch measures

Figure 3.A1.2. Distribution across normative skills mismatch categories of young workers who consider themselves adequately trained

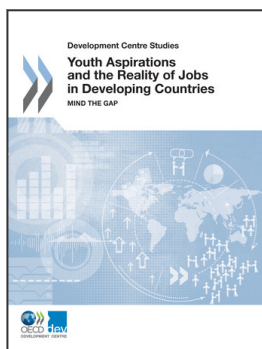


Note: Countries are sorted by the proportion of workers who consider themselves as adequately trained, but who are underqualified according to the normative measures within each group. The normative mismatch measure is based on a mapping of ISCO-08 major groups to ISCED skills levels as follows. An individual working in a high-skilled occupation (ISCO 1-3) should have completed at least some tertiary education, an individual working in a medium-skilled occupation (ISCO 4-8) should have completed (general or vocational) secondary education and an individual working in a low-skilled occupation (ISCO 9) should have completed at least primary education. These individuals are considered as adequately qualified and, if this is not the case, they enter into the over- or underqualified category. Data from Tunisia are missing.

* Data for Colombia and El Salvador refer to the urban population only. FYROM corresponds to Former Yugoslav Republic of Macedonia.

** Estimations for Montenegro, Togo and Viet Nam do not account for sampling weights as they are missing in the data.

Source: Authors' calculation, School-to-Work Transition Surveys (SWTS) 2012-2016, ILO.



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