

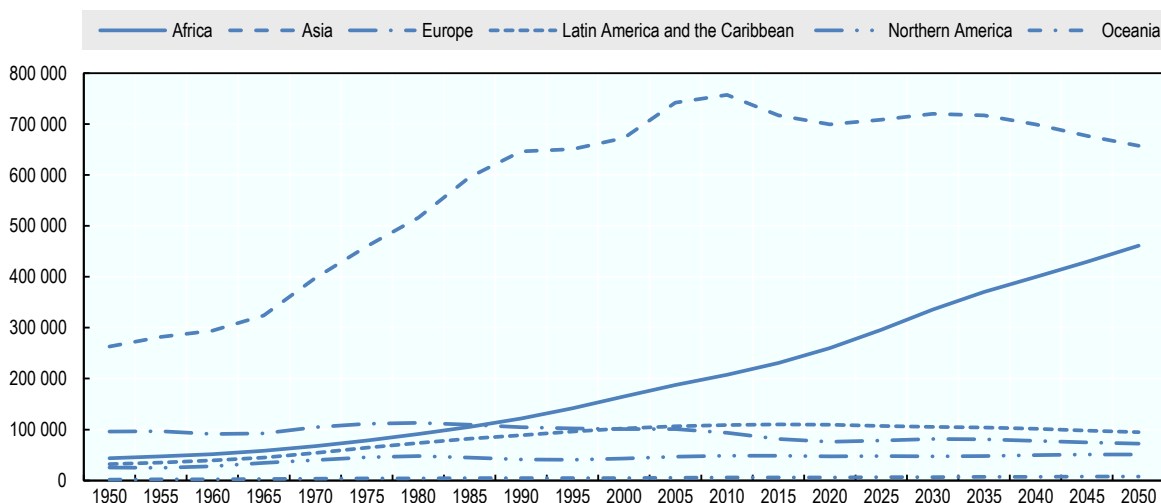
Chapter 1. Rural youth livelihood: A situation analysis

One in six persons in the world today is a youth. The majority of young people in developing countries reside in rural settings and most of them want to change their current employment situation and do not want to farm. Career aspirations of rural youth are as high as youth in urban areas but the labour market offers few decent wage employment opportunities. This chapter explores data from 24 developing countries to look in detail at the education and employment status of rural young people, their career aspirations and the gap with the reality of the labour market. It identifies factors that drive job satisfaction among rural youth.

The global youth population will continue to grow until 2050, driven by Africa

The global youth population today is at its highest ever. The number of youth between the ages of 15 and 24 reached 1.2 billion in 2015 (UNDESA, 2017). This means that one in six persons in the world is a youth. The highest proportion today lives in Africa and Asia (Figure 1.1). While the youth population is expected to decrease in Asia and Europe, it will most likely increase in Africa, at least until 2050, when it is expected to exceed 400 million, according to population projections. By 2030, the number of youth is projected to increase by 42% in Africa. In Asia, the number is projected to decline from 718 million to 711 million, but remaining the region with the highest number of youth. The decrease in Asia is due to lower fertility in the context of urbanisation and rising life expectancy, whereas in sub-Saharan Africa the fertility rates are expected to remain high, with life expectancy increasing slowly (UNDESA, 2015). Sub-Saharan Africa has the youngest (median age of 18.3 years) and the world's fastest growing population (2.8% per year since mid-2000s (World Bank/IFAD, 2017). Global youth population will reach 1.3 billion by 2030.

Figure 1.1. Youth population by world region, in thousands



1. Youth are aged 15-24.

2. Population projections for the period 2015-50 are based on the medium fertility variant.

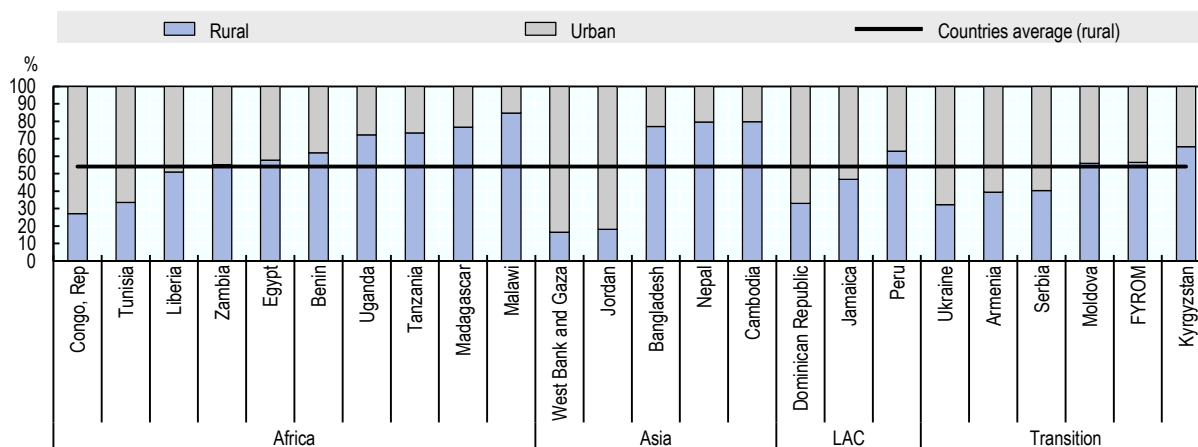
Source: UNDESA (2017), *World Population Prospects: The 2017 Revision*, custom data acquired via website.

These young people are entering the world of work with high expectations. It is expected that the working age population will increase by about 15 million per year, and every day over this period about 33 000 young men and women will enter the labour force. They will be looking for employment that can lift them out of poverty and allow them to live a better life than their parents did (UNFPA, 2014). An estimated 600 million jobs will need to be created worldwide by 2025 in order to keep current employment rates at their current level (ILO, 2012a). Over the next two decades, 440 million young people in sub-Saharan Africa will be entering the labour market looking for work (World Bank/IFAD, 2017).

Overall, young people live for the most part in rural settings, but large disparities are observed across world regions and countries' levels of economic development. In 2015,

the rural population was estimated to reach about 65% of the overall population in South-Central Asia, and 62% in sub-Saharan Africa (UNDESA, 2015). While the proportion of rural youth has declined since 1950, its absolute number is expected to increase in sub-Saharan Africa and decrease in Asia (UNFPA, 2014). The countries with the highest proportion of rural youth can be found in the Horn of Africa, the Sahel and in Southern Asia. Data from 24 School-to-Work Transition Survey (SWTS) countries¹ spanning the period 2012-15 reveal that the average proportion of rural dwellers among youth stands at 54.0% (Figure 1.2).

Figure 1.2. Distribution of youth by area of residence, %



1. Youth are aged 15-29.
2. The survey was conducted in 2012 for Peru; 2013 for Bangladesh, Dominican Republic, Kyrgyzstan, Nepal, Tanzania and Tunisia; 2014 for Armenia, Benin, Cambodia, Egypt, Former Yugoslav Republic of Macedonia (FYROM), Liberia, Malawi and Zambia; and 2015 for Congo (Republic of the), Jamaica, Jordan, Madagascar, Moldova, Serbia, Uganda, Ukraine, and West Bank and Gaza Strip.
3. Of the 32 available countries, 8 were excluded: Lebanon, Montenegro, Togo and Viet Nam because sampling weights were missing; Colombia and El Salvador because data are representative for the urban population only; and Brazil and the Russian Federation because data do not cover all regions and therefore are not nationally representative.
4. Countries average refers to the simple arithmetic (unweighted) mean of all countries displayed.

Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

The situation does not seem to have evolved much from early 1990s when rural youth accounted for around 55% of the world youth population (FAO, 1991). The share of youth living in rural areas reaches very high levels in sub-Saharan Africa and Asia (84.7% in Malawi, 79.8% in Cambodia and 79.5% in Nepal), whereas it is markedly lower in the Middle East and North Africa (16.4% in West Bank and Gaza, and 18.2% in Jordan), in Eastern Europe and Central Asia (EECA) (32.3% in Ukraine and 39.3% in Armenia), and in Latin America and the Caribbean (33.0% in the Dominican Republic and 46.7% in Jamaica). In other words, in low-income economies (all located in sub-Saharan Africa and Asia) most youth live in rural areas, while the reverse is true for youth in upper-middle income group.² This mirrors the fact that as countries reach higher levels of income and urbanise, the fertility rate declines (Elder et al., 2015).

While the youth population living in rural areas represents a majority in developing and emerging countries, and an even larger constituency in low-income countries, the

definition of “rural youth” varies across the world. The United Nations defines “youth” as those persons between the ages of 15 and 24 years, while the African Union defines it as those between the ages of 10 and 35. The age definition varies between countries as well, from 12-30 years in Nigeria to 18-35 in Uganda, 16-35 in Côte d’Ivoire and 16-30 in Viet Nam. But beyond age, the “youth” and “rural youth” are categories that bring together a diversity of characteristics and vulnerabilities. Youth is not a homogeneous group and needs refinement in order to reflect the diverse and complex realities in which young people live, inform policy makers and help young people access opportunities. For example, youth aged 15-17 – below the legal age of majority – may encounter more barriers in accessing resources, services, employment opportunities, and markets than older youth. In rural areas especially, they face greater risks to engage in harmful jobs (child labour). At the same time, older youth above the age of majority are no longer covered by the Convention on the Rights of the Child.

The same holds true for the definition of the rural population. According to the United Nations Statistics Division (UNSD), “because of national differences in the characteristics that distinguish urban from rural areas, the distinction between the urban and the rural population is not yet amenable to a single definition that would be applicable to all countries” (UNSD, n.d.). According to an in-depth inventory of official national-level statistical definitions for rural/urban areas conducted by the International Labour Organization (ILO), national definitions of rural and urban areas are highly heterogeneous across countries, which raise comparability issues (ILO, n.d.). Definitions rely on criteria as diverse as population size and density, administrative and legal area, settlement type, infrastructure and amenities, and predominance of agricultural/non-agricultural activities, for instance. It is also worth mentioning that in the vast majority of cases rural areas are defined as a residual, i.e. all areas not classified as urban.

Moving from childhood to youth is a major transition that witnesses many changes, from the evolution of power dynamics to changing social and economic dependency relationships towards greater responsibilities and new forms of individual aspirations. In particular, aspirations are thought to be one of the aspects that influence livelihoods choices and strategies, and should be considered when analysing young people’s engagement in the world of work (Sumberg et al., 2014; OECD, 2017). In the same manner, rural young people experience very diverse social and spatial realities that will influence the way they engage in employment, including the level of education and skills, gender, location (diversity of rural areas and abundance of natural resources), social norms, social networks, family poverty level, and access to assets such as land, finance and knowledge.

Rural youth in developing countries are low educated and the majority work in poor-quality jobs

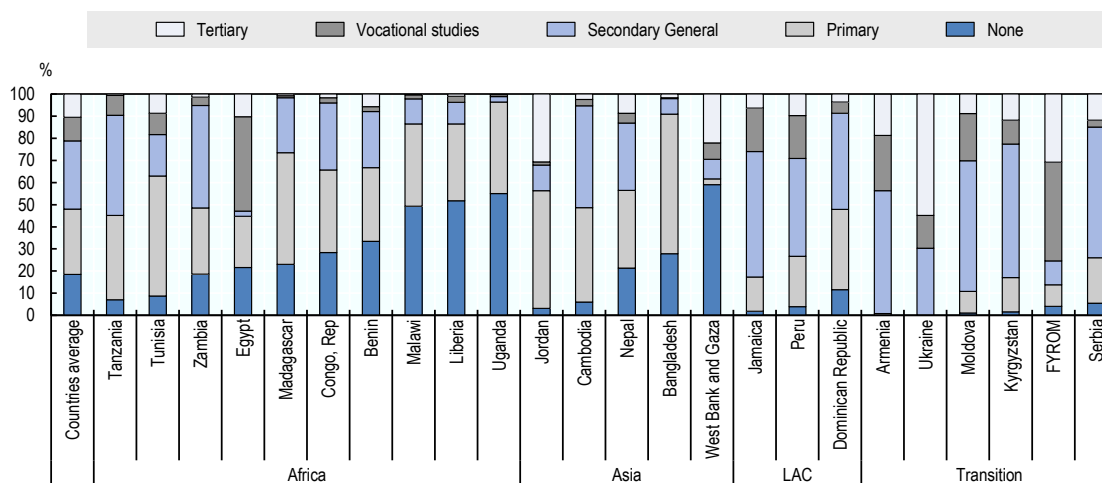
The potential for rural young people to build their social and economic capital and independence is undermined by a set of challenges. Young people in rural areas face the double challenge of age-specific vulnerabilities and underdevelopment of rural areas. Such challenges include low access to quality education and vocational training, assets such as land and finance, and limited opportunities to participate in decision-making. Young women face additional constraints resulting from discriminatory social institutions (OECD Development Centre, 2014), in particular, a high time burden resulting from their productive and reproductive responsibilities, and in certain countries limited mobility, all

of which limit their employment opportunities. This chapter provides an overview of common rural youth challenges.

One in five rural youth never attended school

Educational attainment is low among youth in rural areas. Nearly one-fifth (18.5%) of rural youth have never attended school and almost half of them (48.0%) have at best completed primary education (Figure 1.3). Rural youth are less likely to undertake vocational education (10.7%) or tertiary education (10.5%). Urban youth do clearly better with respect to educational attainment. A large majority go beyond primary school to complete higher levels of education – 33.3% in general secondary education, 11.5% in vocational secondary education, and 18.1% in tertiary education; those who never entered formal schooling account for just 12.5%. Rural youth have the poorest educational backgrounds in sub-Saharan African countries and in low-income economies. In Liberia, Malawi and Uganda, for instance, around half of the rural youth population never went to school and less than 1% had the chance to complete tertiary studies. Rural youth educational attainment can greatly diverge across countries. In West Bank and Gaza, as many as 59.1% of rural youth are uneducated. At the other end of the spectrum, 54.8% of rural youth in Ukraine have a tertiary education.

Figure 1.3. Distribution of rural youth by highest level of education completed, %



1. See Notes 1-4 of Figure 1.2.

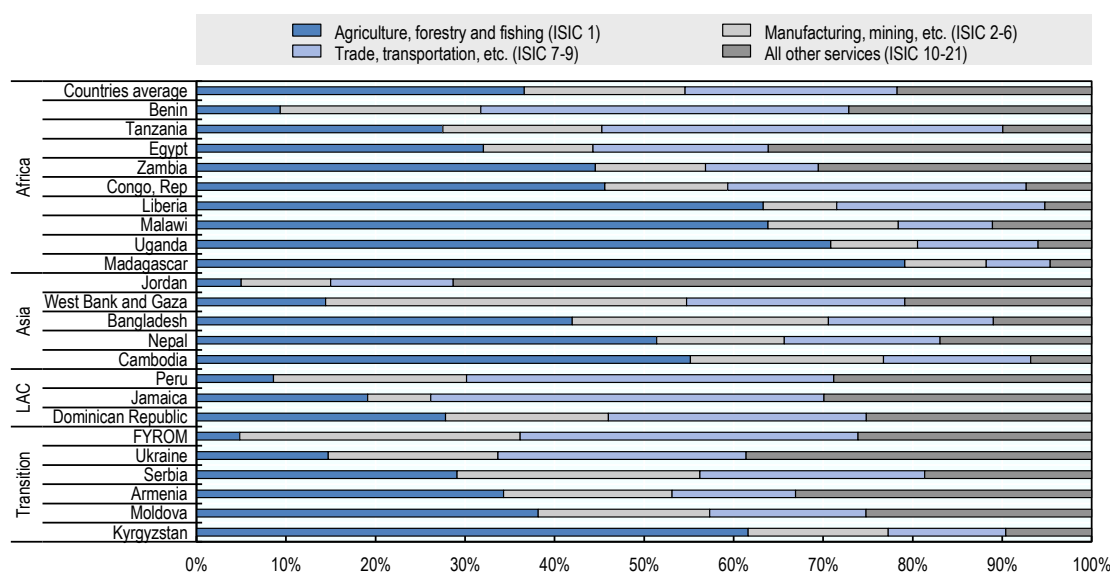
Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Agriculture is the main provider of jobs for rural youth. This sector of activity accounts on average for 36.6% of rural youth employment, far ahead of manufacturing and construction, trade and transportation, and other services, which employ, respectively, 17.9%, 23.7% and 21.7% of rural young workers (Figure 1.4). Low-income economies are characterised by the lack of employment opportunities outside agriculture. Most of these countries are located in sub-Saharan Africa.³ The majority of rural youth are engaged in agricultural activities in Nepal (51.4%), Cambodia (55.2%), Kyrgyzstan (61.6%), Liberia (63.3%), Malawi (63.9%), Uganda (70.9%) and especially Madagascar, where they are close to four in five (79.1%). The share of rural youth working in manufacturing and construction is as low as 9.7% in Uganda, 9.1% in Madagascar and

8.2% in Liberia, suggesting that in these countries agro-processing industries are still significantly underdeveloped.

The picture is slightly different in the Asia-Pacific region, where the manufacturing sector has been expanding. The decline in the number of young farmers mirrors various sociological and demographic trends and phenomena, including urbanisation and outmigration. Almost half of the population of the Asia-Pacific region now lives in urban areas and the urbanisation trends are accelerating (FAO, 2015). In addition, the demand for jobs in sectors such as manufacturing and construction is leading to a contraction of employment in agriculture. Manufacturing accounts for more than a quarter of total youth employment in Cambodia, and one-fifth in Indonesia (ILO, 2015). According to the SWTS data, the share of rural youth working in manufacturing reaches 21.6% in Cambodia and 28.6% in Bangladesh (Figure 1.4).

Figure 1.4. Distribution of rural young workers by sector of activity, %



1. See Notes 1-4 of Figure 1.2.

2. 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 10-21).

3. Data are missing for Tunisia.

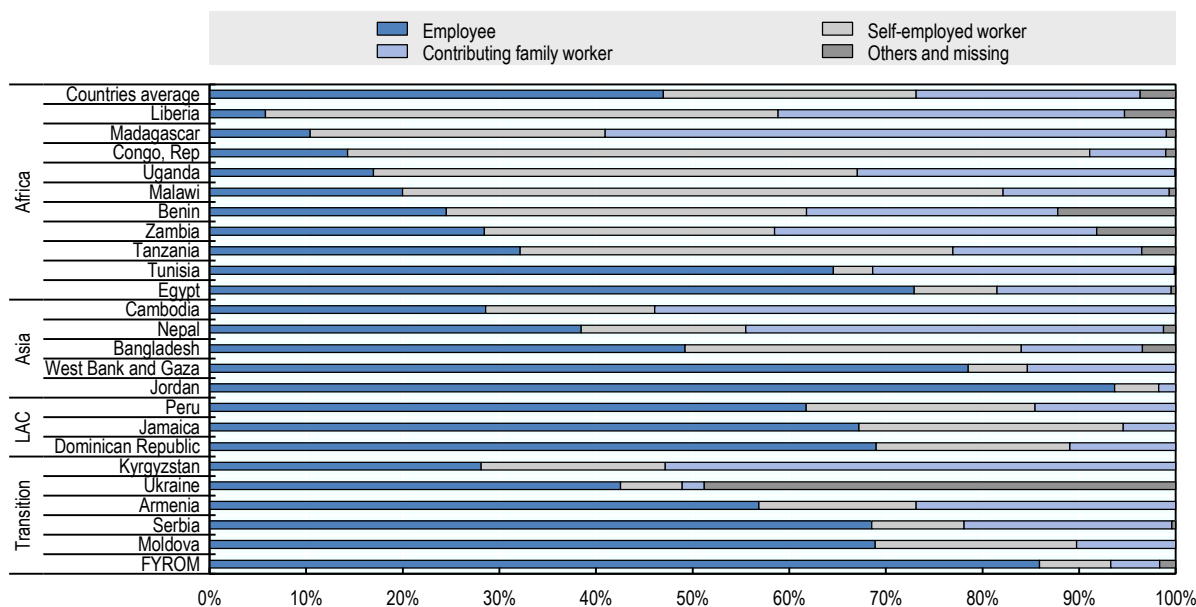
Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Rural youth are predominantly in vulnerable employment

Self-employed workers (employers, own-account workers and co-operative members) and contributing family workers together outnumber wage employees. Among the 23 SWTS countries that have information on employment status, wage employment accounts on average for 47.0% of rural youth employment (Figure 1.5). In other words, rural young workers are predominantly self-employed (26.2%) and contributing family workers (23.2%), which are considered vulnerable employment⁴ and usually a proxy for the extent of informal employment. When it comes to low-income economies and sub-Saharan African countries, the share of paid employees among rural young workers falls

dramatically, and is as low as 5.8% in Liberia and 10.4% in Madagascar. Self-employment becomes the dominant employment segment, and a large number of rural youth appear to perform productive activities as contributing family workers.

Figure 1.5. Distribution of rural young workers by employment status, %

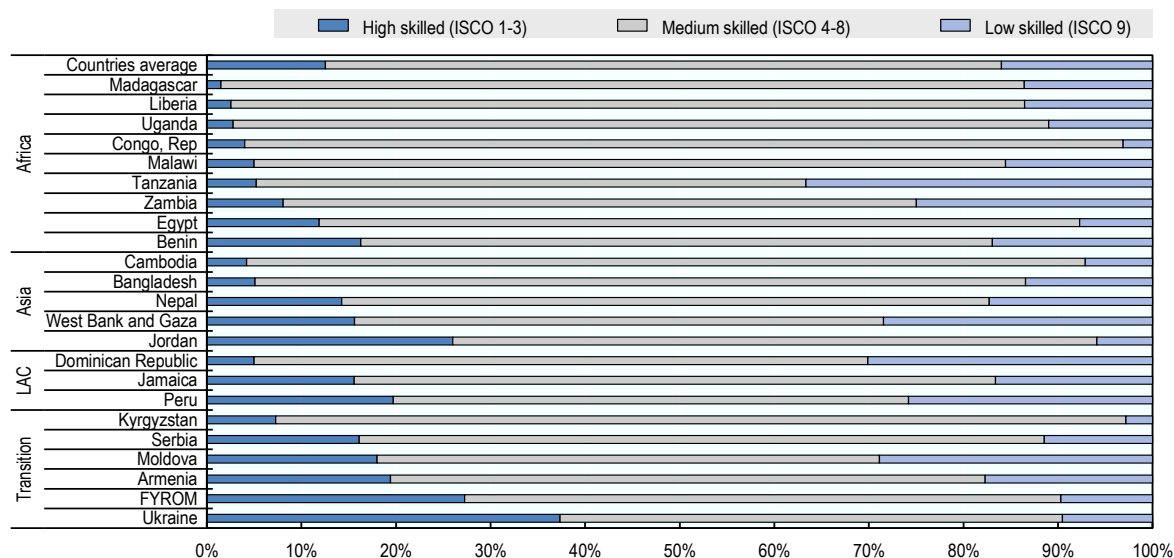


1. See Notes 1-4 of Figure 1.2.

2. The SWTS generic questionnaire provides information about the employment status of young workers by asking them to describe their job/activity among the following categories: employee (working for someone else for pay in cash or in kind), employer (employing one or more employees), own-account worker (not employing any employee), member of a producers' co-operative, helping without pay in the business or farm of another household/family member. Due to the relatively low sample size for some of these options (employer, co-operative member) and to differences across countries, we aggregated these categories into three groups: wage employees, self-employed (including employers, own-account workers and co-operative members) and unpaid family workers (corresponding to helping without pay).

Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Given the large number of rural youth concentrated in vulnerable employment and agricultural activities, which are generally characterised in developing countries by low productivity and earnings and poor working conditions, it is not surprising that very few rural young workers occupy high-skilled positions. On average, high-skilled occupations account for no more than 12.5% of rural youth employment (Figure 1.6). Rural young workers in low-skilled occupations – i.e. elementary occupations – are not more numerous (16.0%). The majority of rural youth are in medium-skilled occupations (71.5%), which range from clerical support (non-manual labour) to agriculture and factory workers (manual). Again, these global findings mask large disparities across regions and countries. In low-income economies and sub-Saharan African countries, a very small percentage of rural young workers are engaged in high-skilled occupations (e.g. 1.5% in Madagascar, 2.5% in Liberia, 2.8% in Uganda). On the other hand, more than a quarter of rural young workers are in high-skilled jobs in Jordan (26.0%) and FYROM (27.3%), and more than one-third of rural young workers are in high-skilled jobs in Ukraine (37.4%). These are developing countries belonging to the middle-income group.

Figure 1.6. Distribution of rural young workers by occupation, %

1. See Notes 1-4 of Figure 1.2.

2. Based on the International Standard Classification of Occupations (ISCO-08), occupations are aggregated in three categories: high-skilled occupations, which include legislators, senior officials and managers (ISCO 1), professionals (ISCO 2), and technicians and associate professionals (ISCO 3); medium-skilled occupations, which include clerks (ISCO 4), service and sales workers (ISCO 5), skilled agricultural and fishery workers (ISCO 6), craft and related trades workers (ISCO 7), and plant and machine operators and assemblers (ISCO 8); and low-skilled occupations, which include elementary occupations (ISCO 9).

3. Data are missing for Tunisia.

Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Table 1.1. Structure of International Standard Classification of Occupations (ISCO) and broad occupation groups

Code	Major ISCO groups	Broad occupation groups
1	Managers (Chief Executives, Senior Officials and Legislators; Administrative and Commercial Managers; Production and Specialized Services Managers; Hospitality, Retail and Other Services Managers)	High-skilled
2	Professionals (Science and Engineering Professionals; Health Professionals; Teaching Professionals; Business and Administration Professionals; Information and Communications Technology Professionals; Legal, Social and Cultural Professionals)	
3	Technicians and associate professionals (Science and Engineering Associate Professionals; Health Associate Professionals; Business and Administration Associate Professionals; Legal, Social, Cultural and Related Associate Professionals; Information and Communications Technicians)	
4	Clerical support workers (General and Keyboard Clerks; Customer Services Clerks; Numerical and Material Recording Clerks; Other Clerical Support Workers)	Medium-skilled
5	Services and sales workers (Personal Services Workers; Sales Workers; Personal Care Workers; Protective Services Workers)	
6	Skilled agricultural and fisheries workers (Market-oriented Skilled Agricultural Workers; Market-oriented Skilled Forestry, Fishery and Hunting Workers; Subsistence Farmers, Fishers, Hunters and Gatherers)	
7	Craft and related trade workers (Building and Related Trades Workers (excluding Electricians); Metal, Machinery and Related Trades Workers; Handicraft and Printing Workers; Electrical and Electronic Trades Workers; Food Processing, Woodworking, Garment and Other Craft and Related Trades Workers)	Low-skilled
8	Plant and machine operators and assemblers (Stationary Plant and Machine Operators; Assemblers; Drivers and Mobile Plant Operators)	
9	Elementary occupations (Cleaners and Helpers; Agricultural, Forestry and Fishery Labourers; Labourers in Mining, Construction, Manufacturing and Transport; Food Preparation Assistants; Street and Related Sales and Services Workers; Refuse Workers and Other Elementary Workers)	

Source: ILO (2012b), International Standard Classification of Occupations (ISCO-08), Volume 1: Structure, Group Definitions and Correspondence Tables.

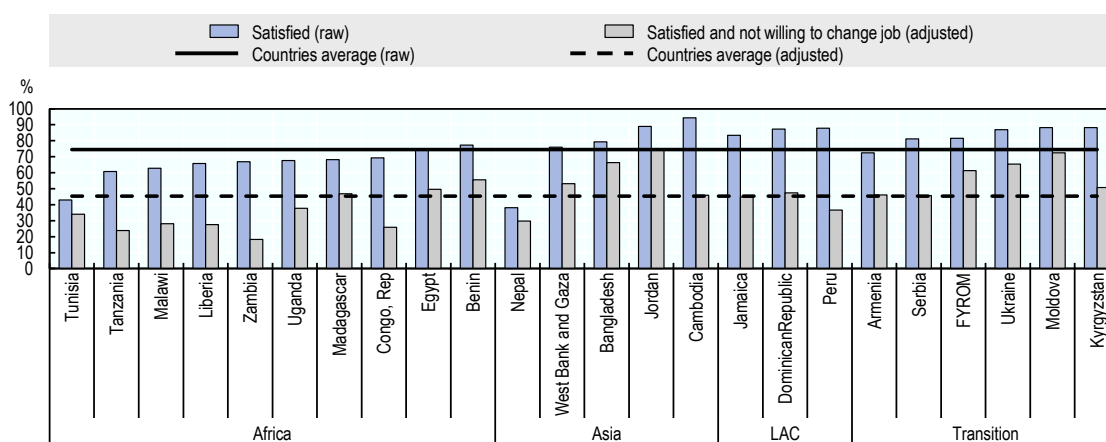
The reality of the labour market does not live up to rural youth aspirations

The importance of subjective measures of the quality of jobs, such as job satisfaction, is largely underestimated in developing countries. Putting youth employment preferences at the forefront of the analysis allows understanding of the nature of youth career aspirations and job-related drivers of job satisfaction (OECD, 2017). It can cast light on the discrepancies between youth expectations and the reality of the labour market and direct policy actions to narrow these gaps. Failing to meet youth aspirations will fuel frustration, lower productivity and even put social cohesion at risk. Rural youth are no exception.

The majority of rural youth want to change their current jobs

When asked about work satisfaction, most rural youth – 74.6% in the sample of countries – answered being (somewhat or very) satisfied with their main job (Figure 1.7). There are large differences across countries, however. The lowest levels of job satisfaction among rural youth are found in low-income economies and sub-Saharan African countries. Still, in only two countries rural youth are predominantly dissatisfied with their main job (Nepal with a satisfaction level of 38.2% and Tunisia with a satisfaction level of 43.0%). Overall, young workers are relatively more satisfied with their main job in urban areas (76.3% on average across surveyed countries). The area gap in job satisfaction is particularly significant in Nepal and Tunisia where, in sharp contrast with rural settings, cities exhibit a large majority of young workers satisfied with their main job (58.3% and 71.2%, respectively).

Figure 1.7. Share of satisfied rural young workers, using a raw and adjusted measure, %



1. See Notes 1-4 of Figure 1.2.

2. The subjective measure of job satisfaction in SWTS data is measured by asking young workers to what extent they are satisfied with their main job. They can select the following options: very satisfied, somewhat satisfied, somewhat unsatisfied, and very unsatisfied. Additionally, the questionnaire includes a yes/no question about the attitude of young workers regarding their job, asking them whether they would like to change their current employment situation. The adjusted measure of satisfaction used in this report combined both variables to construct a dummy variable equal to 1 if a young worker is very or somewhat satisfied and not wanting to change jobs, and 0 when this is not case.

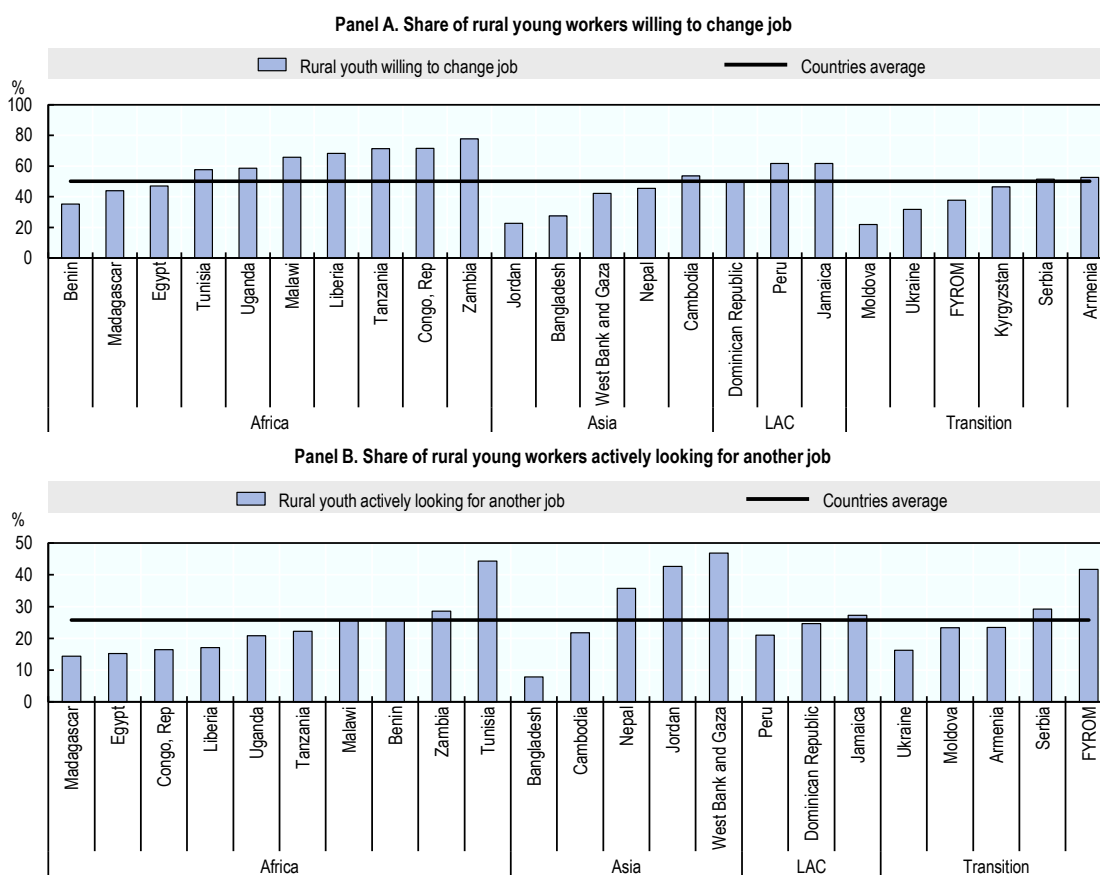
Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Using an adjusted measure of job satisfaction that takes into account only satisfied workers who do not want to change their current employment situation shows a different picture, however. When using this adjusted measure, the level of job satisfaction among

rural youth falls from 74.6% to 45.3% on average (Figure 1.7). In other words, more than half of rural young workers want to change jobs. The same holds true for urban youth, although the adjusted measure of job satisfaction is not quite as low (47.4%).

Whatever the level of job satisfaction expressed, on average, half (50.2%) of rural young workers would like to change their current employment situation (Figure 1.8 Panel A), and one-quarter (25.7%) are actively looking for another job (Figure 1.8 Panel B). In urban areas, young workers are less likely to be willing to change job (49.0%) but, on the other hand, in terms looking for another job, they are relatively more numerous (28.2%). The proportion of rural youth willing to change job is particularly high in sub-Saharan African countries, most of which are low-income economies. For instance, it stands at 58.7% in Uganda, 65.8% in Malawi, 68.2% in Liberia, 71.5% in Tanzania and Congo (Republic of the), and 77.8% in Zambia. However, more economically advanced countries in other regions also exhibit a large proportion of rural youth willing to change jobs (53.7% in Cambodia, 57.7% in Tunisia, 61.7% in Peru and 61.8% in Jamaica). MENA countries accounts, in addition, for very high shares (well above countries average) of rural youth actively looking for another job (42.7% in Jordan, 44.3% in Tunisia and 46.8% in West Bank and Gaza).

Figure 1.8. Share of rural youth willing to change job and actively looking for another job, %



1. See Notes 1-4 of Figure 1.2.

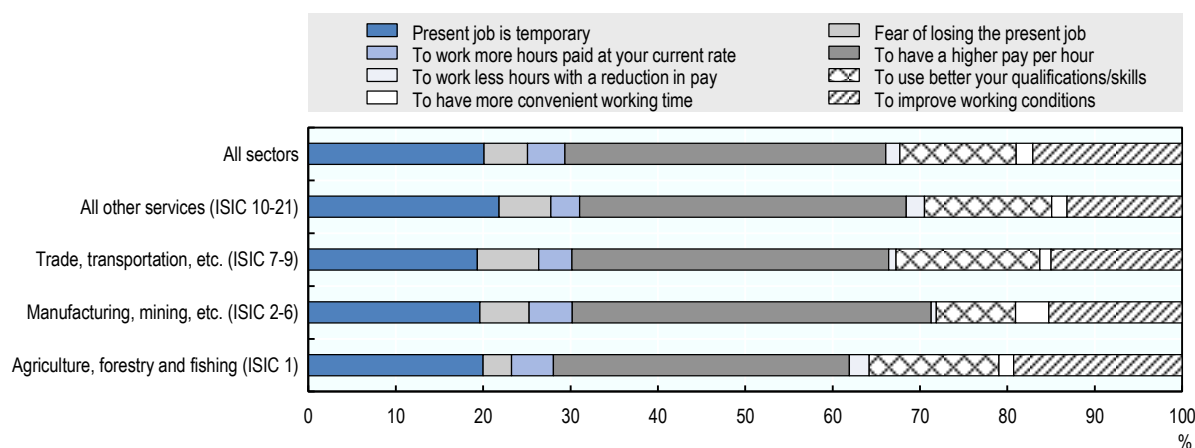
2. Panel B data are missing for Kyrgyzstan.

Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Rural youth working in agriculture want better working conditions

Why is it then that so many rural young workers are willing to change their current employment situation? Evidence from the SWTS shows that by and large the main reason stated for wanting to change jobs is low pay. More than one-third (36.7%) of rural young workers want to change job to secure a better income (Figure 1.9). This mirrors the low productivity levels of the jobs available to youth in rural areas. The second most cited reason (20.1%) is because their current job is of a temporary nature. Stable employment is usually less frequent in rural areas where economic activities are seasonal and/or more dependent on the primary sector and therefore highly vulnerable to external shocks (e.g. weather conditions and natural hazards). Poor working conditions and skills mismatch are other reasons that push a significant proportion of rural youth to look for another job (17.1% and 13.3%, respectively). The same findings are observed in urban areas, albeit urban youth willing to change job seem to care less about working conditions (15.2%) and more by a pay increase (39.4%) than their rural peers. The results disaggregated by sector of activity further show that in agriculture, rural youth willing to change job are less attracted by a better pay (33.9%) and are more interested in having better working conditions (19.3%) than in other sectors (41.1% and 15.2%, respectively, in manufacturing for instance). These findings are in line with the situation generally observed in developing countries, according to which most rural youth engage in subsistence activities, primarily in agriculture, since employment opportunities are scarce outside this sector; moreover, rural youth are faced with working conditions that are often far from decent.

Figure 1.9. Distribution of rural young workers willing to change job, by reason and sector of activity, %



1. See Notes 1-4 of Figure 1.2.

2. Countries' average displayed.

3. Data are missing for Tunisia.

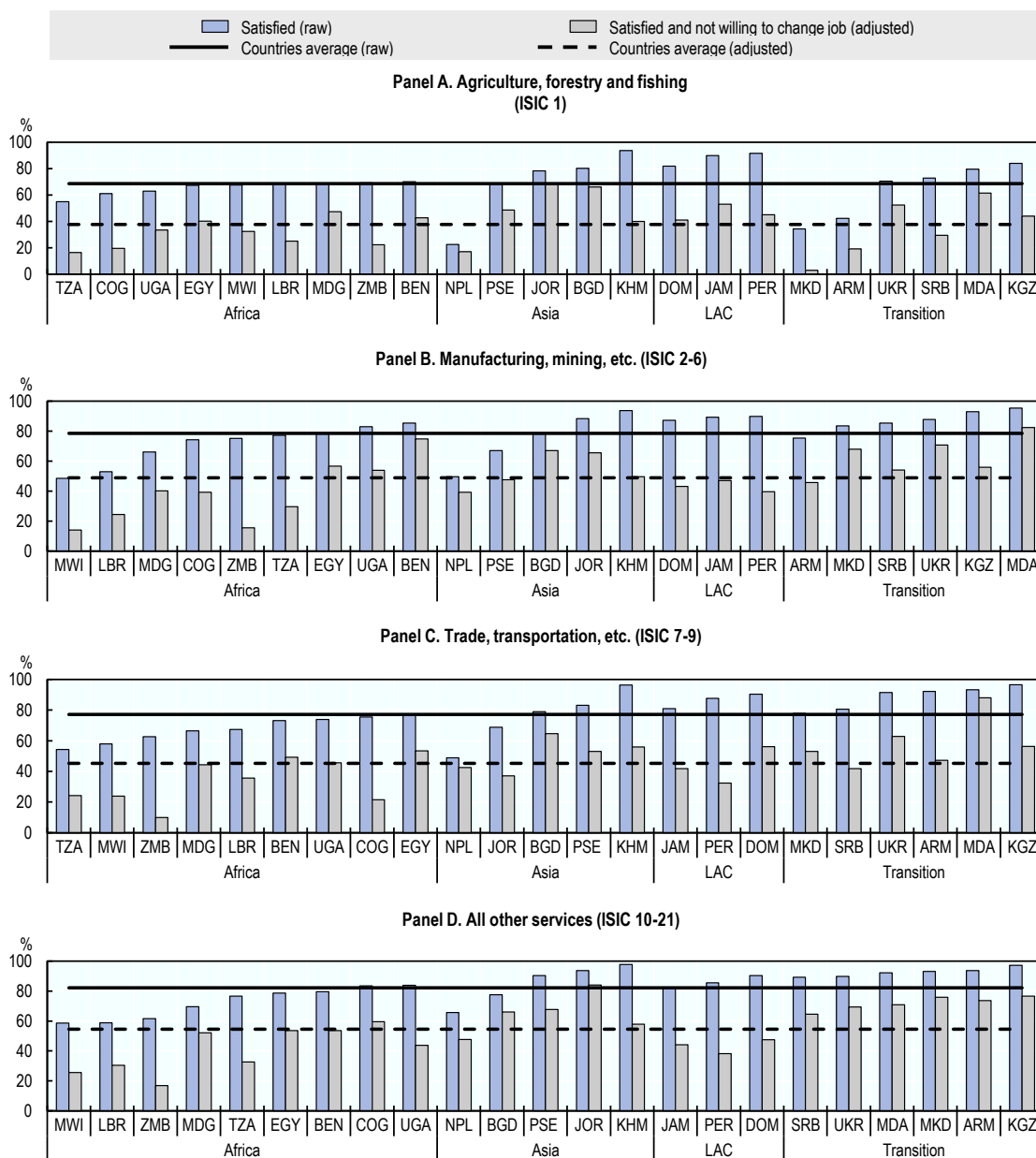
Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Rural youth working in agriculture are the least satisfied

Job satisfaction data further point to the challenge of making agricultural employment attractive for young people. Rural young workers are without doubt the least satisfied in the agricultural sector which, beyond agriculture, also encompasses forestry and fishery,

and thus can be assimilated into the primary sector of the economy.⁵ Only 68.7% of rural young workers are (very or somewhat) satisfied with their main job in agriculture, in contrast with 78.5% in manufacturing and construction, 77.1% in trade and transportation, and 82.1% in all other services (Figure 1.10).

Figure 1.10. Share of satisfied rural young workers by sector of activity, %



1. See Notes 1-2 of Figure 1.7.

2. Data are missing for Tunisia.

Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

When applying the adjusted measure of satisfaction, barely 37.8% of rural young workers are satisfied and not willing to change job in agriculture, far less than in the other sectors,

which reach 48.9% in manufacturing and construction, 45.3% in trade and transportation and 54.5% in all other services. In some countries, and not only in low-income economies where agriculture is basically at subsistence level, rudimentary and less productive, discontent about agriculture is incredibly widespread. For instance, in Nepal and FYROM the raw measure of job satisfaction in agriculture amounts to only 22.5% and 34.3%, and the adjusted measure to barely 17.1% and 3.1%, respectively. Moreover, less than 20% of rural youth in agriculture is satisfied and not willing to change job in Tanzania (16.4%), Armenia (19.2%) and the Republic of the Congo (19.6%). The poor quality of employment in agriculture in developing countries not only affects rural youth workers' standard of living but also hinders their subjective well-being.

A persistent high level of job dissatisfaction among youth in agriculture fosters rural outmigration. In the absence of decent work opportunities in rural areas, migration is and will continue to be one of the options to escape poverty and find more and better job opportunities. Evidence that a large proportion of migrants are rural people can be deduced from the fact that around 40% of international remittances are sent to rural areas (World Bank, 2014). About one-third of all international migrants are young, aged between 15 and 34 (FAO, 2016). Migration can be seasonal or temporary between rural areas for agricultural jobs. It could also be for longer periods to cities or other countries. In many parts of Asia and Africa, remittances from migration outweigh the income from agriculture. One of the most significant changes in the last half century is the increasing proportion of women migrating: today, they constitute half of the international migrant population, often migrating independently as the main economic providers for their families (FAO, 2010). In Asia, 46% of all migrants between 10 and 24 years of age are female.

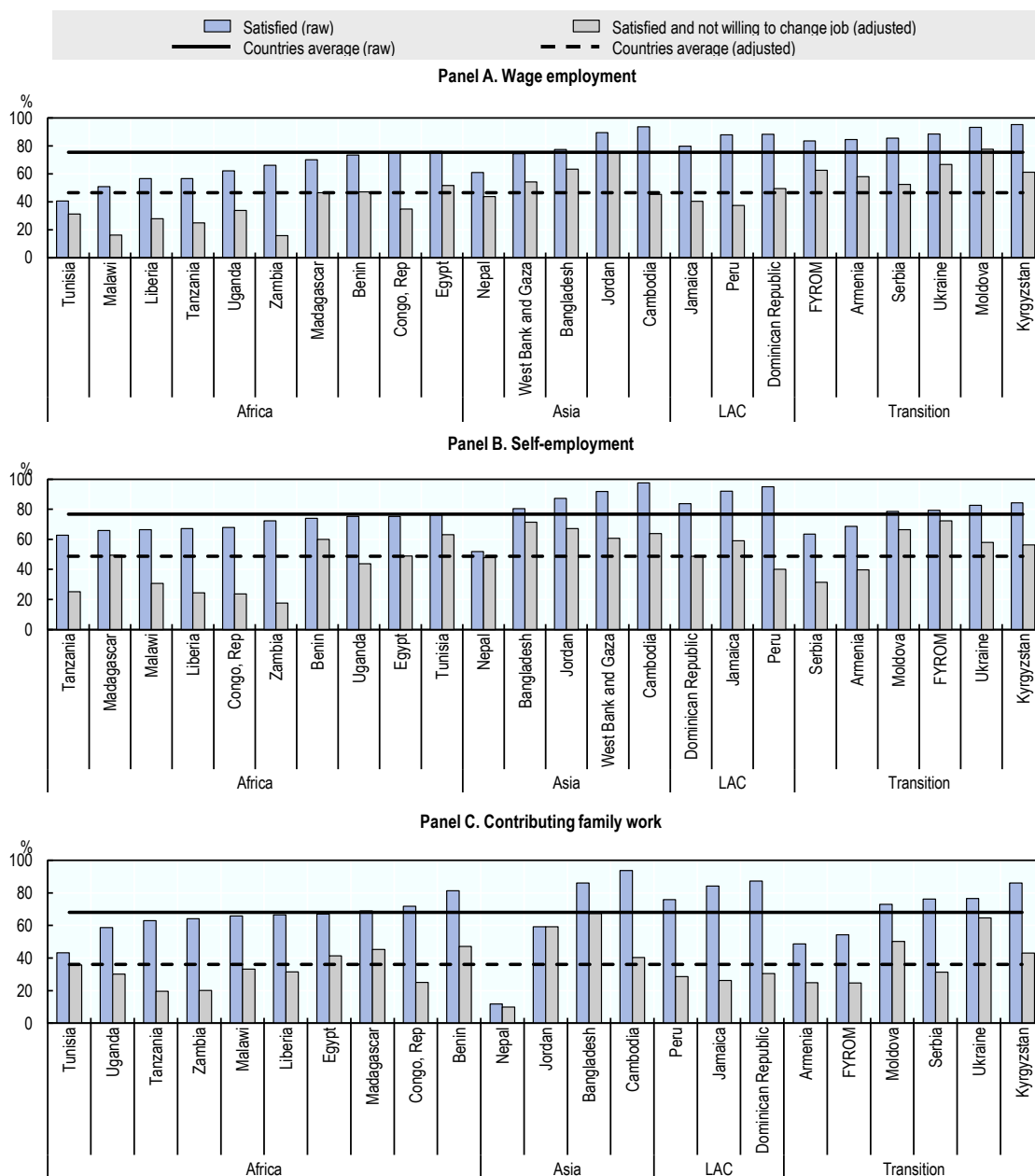
Migration can be a positive experience for youth, often contributing to better education and greater skills development. However, it can also enhance the risk of exploitation, abuse, social exclusion, adverse health issues, human trafficking and death, with variability in risk between the sexes. Female youth, for instance, are especially vulnerable to human trafficking for sexual exploitation, while male youth are susceptible to forced labour, including in the fishing industry (UNESCAP, 2016).

Contributing family work and low-skilled occupations decrease job satisfaction

Rural youth are also the least satisfied in contributing family work and in low-skilled occupations, where employment is usually of very low quality. Contributing family work is by definition classified as informal employment, which sheds light on the poor quality of this employment status. Contributing family workers are workers who hold self-employment jobs in an establishment operated by a related person, with too limited a degree of involvement in its operation to be considered a partner (ILO, 1993). Contributing family workers are most of the time unpaid family helpers. Based on the raw measure of job satisfaction, the data show that, among rural youth, 68.0% of contributing family workers are satisfied with their employment situation, compared with 75.5% of paid employees and 76.7% of self-employed workers (Figure 1.11). Disparities in job satisfaction levels are also notable when using the adjusted measure. Contributing family workers are barely more than one-third (36.1%) likely to be satisfied and not willing to change job. By contrast, paid employees and self-employed workers are, respectively, 46.7% and 48.7% more likely to be satisfied and not willing to change job. Apart from Moldova (50.2%), Jordan (59.2%) and especially Bangladesh (67.3%), in all countries rural young contributing family workers are a minority in terms of being satisfied and not willing to change job, a minority which is very tiny in poorer countries such as Nepal

(9.9%), Tanzania (19.6%) and Zambia (20.18%), or in transition countries such as FYROM (24.6%) and Armenia (24.8%).

Figure 1.11. Share of satisfied rural young workers by employment status, %



1. See Notes 1-2 of Figure 1.7.

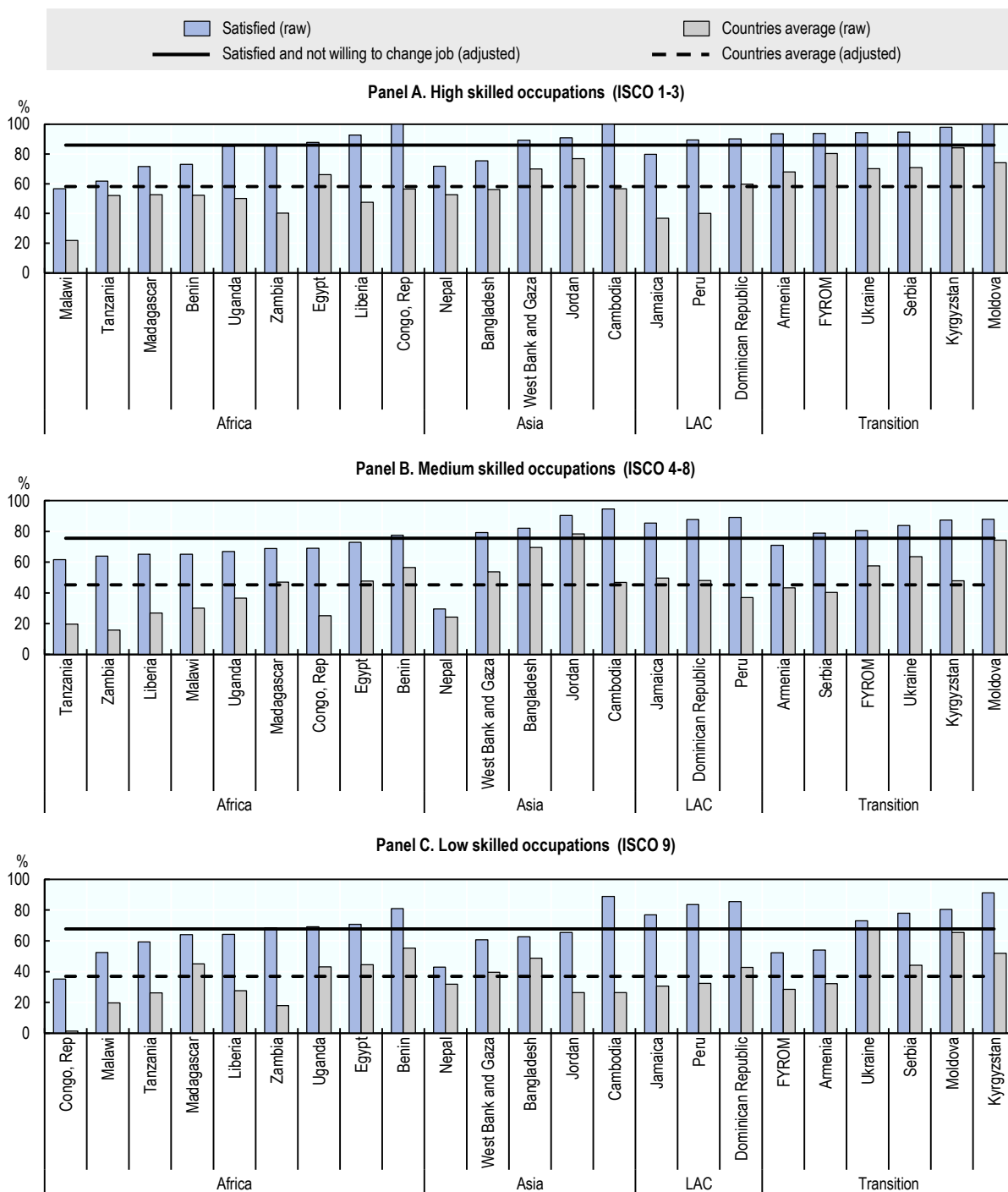
2. Panel C data are missing for West Bank and Gaza.

Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Likewise, the lower the level of skills required for the occupation, the less satisfied rural young workers are. This is very apparent in Figure 1.12. While rural young workers are, on average, 85.9% (very or somewhat) satisfied with their employment situation in high-skilled occupations, they are just 75.6% satisfied in medium-skilled occupations and

67.8% satisfied in low-skilled (elementary) occupations. Similarly, according to the adjusted measure, it appears that rural young workers are, on average, 58.1% satisfied and not willing to change jobs in high-skilled occupations. The corresponding figures for medium- and low-skilled occupations are 45.2% and 36.9%, respectively. Elementary occupations, by definition, do not require a skilled workforce and therefore correspond to low-productivity activities that provide low pay and worse working conditions, including occupational safety and health-related matters. Based on the adjusted measure, some countries, mainly low-income sub-Saharan African economies, raise high concern given their extremely low levels of job satisfaction among rural young workers in low-skilled occupations, such as Tanzania (26.2%), Malawi (19.8%), Zambia (18.0%) and especially the Republic of the Congo (1.3%), where job dissatisfaction affects the quasi-totality of the rural youth employed population in elementary occupations. In these countries and in other low-income economies such as Nepal (24.2%) and Liberia (26.9%), job discontent, as defined by the adjusted measure, is widespread among medium-skilled occupations as well. By contrast, overall, the majority of rural youth occupied in high-skilled positions are satisfied and not willing to change jobs, except in a few countries – Malawi (21.8%), Jamaica (36.8%), Peru (40.1%), Zambia (40.3%) and Liberia (47.5%). The research findings presented thus far clearly show the close link between the quality of employment and job satisfaction. It would be difficult to convince rural young to keep their jobs if these do not permit them to make a living and have decent lives.

Figure 1.12. Share of satisfied rural young workers by occupation, %



1. See Notes 1-2 of Figure 1.7.

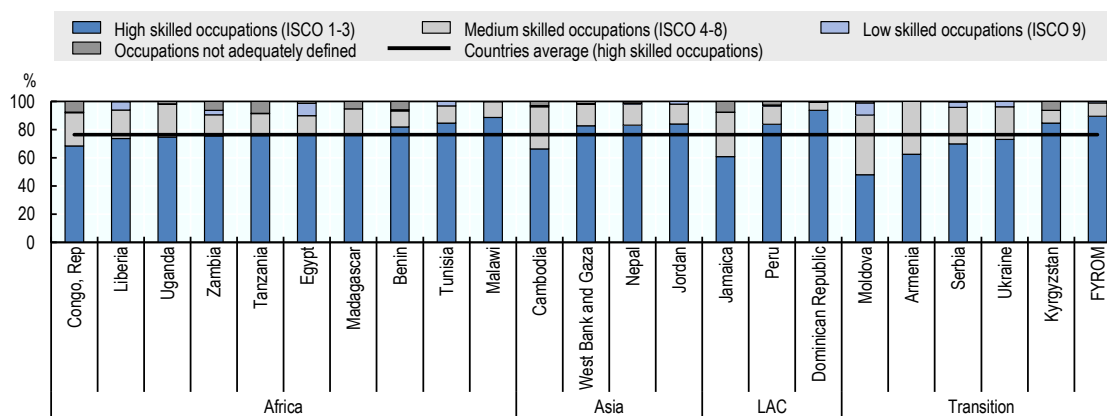
2. Data are missing for Tunisia.

Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Most rural students aspire to work in high-skilled occupations, yet very few rural young workers access them

Subjective indicators, such as job satisfaction, are difficult to interpret. This is because they are not only dependent on the actual (objective) situation of individuals but are also (and most importantly perhaps) influenced by their aspirations. Results are actually often counterintuitive at first sight – individuals in better situations report lower levels of satisfaction – but they can be explained by the fact that people who fare worse tend to have lower aspirations (in particular, because they are less aware of what they could possibly get) and as a result they have fewer reasons to express dissatisfaction. Figure 1.13 reports career aspirations of rural students in terms of occupation. It would appear that the vast majority of rural students, 76.4% precisely, aspire to work in high-skilled occupations. In line with previous arguments, this number is probably overestimated, since students are likely to have higher career aspirations than out-of-school youth (they are likely to come from better-off families where parents are engaged in higher-skilled occupations). Unsurprisingly, there are very few rural students, and in many countries close to none, willing to work in elementary occupations. Students have higher career aspirations in urban areas where, overall, as many as 80.3% are likely to aspire to high-skilled positions.

Figure 1.13. Career aspirations of rural students, by occupation, %



1. See Notes 1-4 of Figure 1.2.

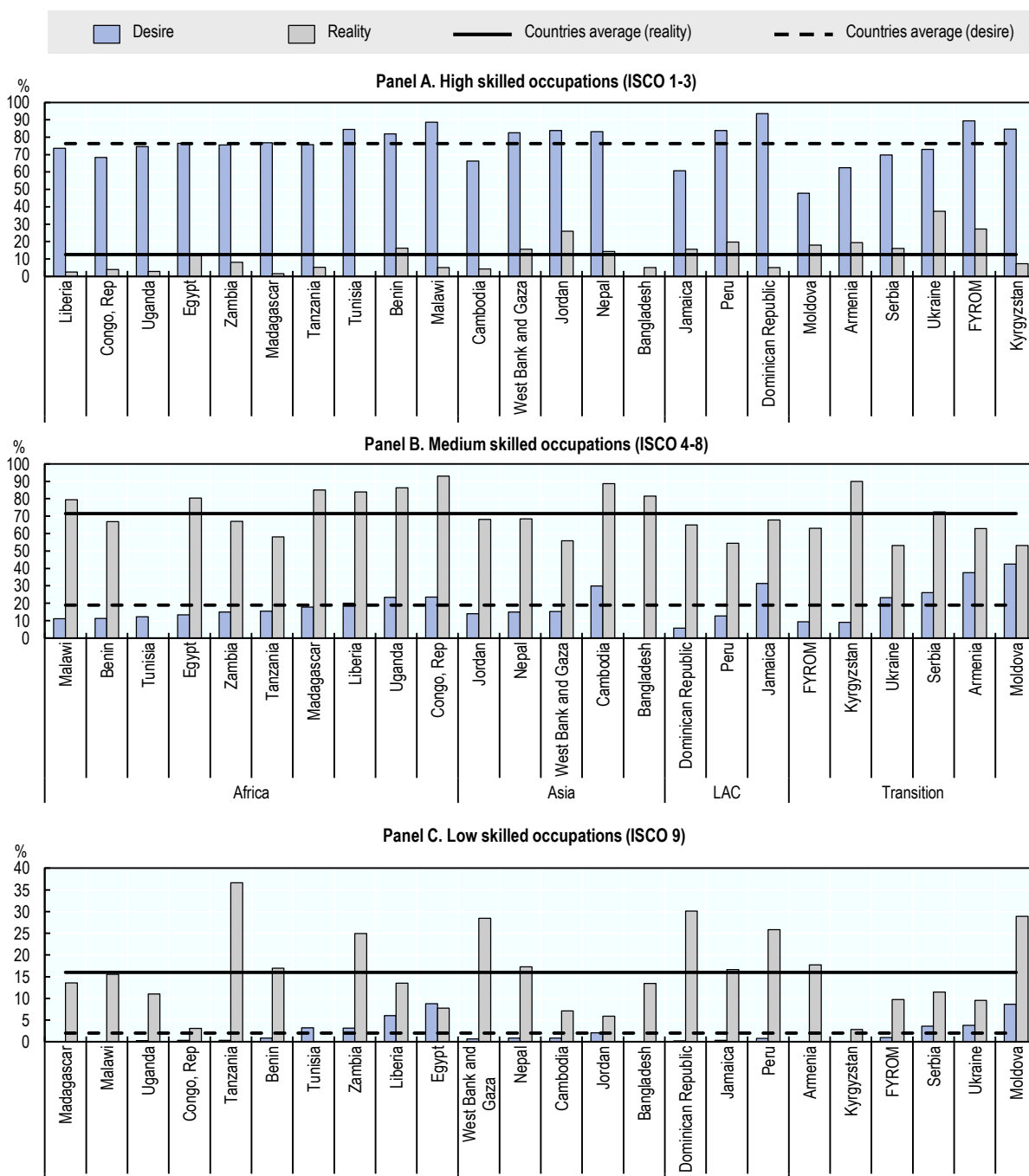
2. Career aspirations in terms of occupation are documented in SWTS data via the question “Ideally, what type of work would you like to do?” The question is asked to 15-29 year-old students enrolled at any level of education and uses the ISCO as a reference. Students unwilling to work were discarded from the sample, as they represented a negligible proportion of individuals.

3. Data are missing for Bangladesh.

Source: Authors’ own calculations based on ILO’s School-to-Work Transition Survey data from 2012 to 2015.

Comparing rural students’ career aspirations and the distribution of rural young workers by occupation, it appears that youth career aspiration gaps for high-skilled occupations are extremely large in rural areas. Whereas 76.4% of rural students would like to work in high-skilled occupations only 12.5% of rural young workers actually work in high-skilled occupations (Figure 1.14).

Figure 1.14. Youth career aspiration gaps among rural youth, by occupation, %



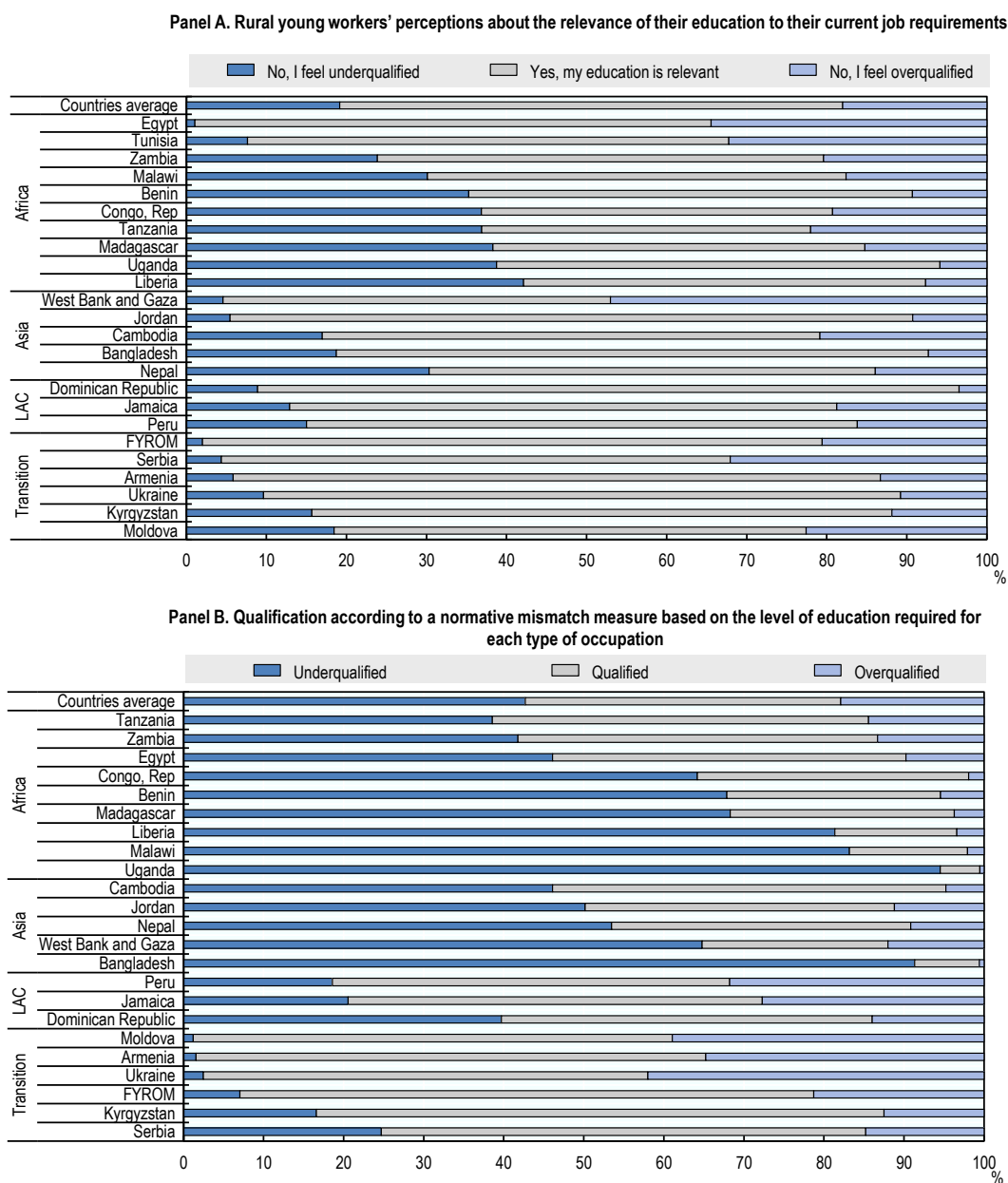
1. See Notes 1-2 of Figure 1.13.
 2. “Desire” refers to career aspirations of rural students in terms of occupation, and “reality” corresponds to the occupation of rural young workers.
 3. Data on career aspirations (“desire”) are missing for Bangladesh, and data on occupation (“reality”) are missing for Tunisia.
 Source: Authors’ own calculations based on ILO’s School-to-Work Transition Survey data from 2012 to 2015.

As expected, for lower-skilled occupations the aspirations gaps are reversed. Only 18.9% of rural students aim to work in medium-skilled occupations, whereas the majority (71.5%) of rural young workers are in such occupations. The gap is also significant for low-skilled occupations: 2.0% (desire) versus 16.0% (reality). Compared with rural areas, the aspiration gap for high-skilled occupations is not that large in urban areas: the higher proportion of students aspiring to high-skilled positions (82.4%) is more than offset by the larger proportion of young workers occupying such positions (21.3%). On the other hand, rural youth both aspire more and actually work more in lower-skilled occupations than urban youth do, suggesting that the lack of qualified jobs in rural areas not only hampers youth access to productive employment but also lowers their occupational aspirations. In rural areas, the youth career aspiration gaps for high-skilled occupations are the largest in Madagascar (75.3 percentage points difference between desire and reality), Kyrgyzstan (77.3%), Malawi (83.6%) and the Dominican Republic (88.5%).

Skills gaps remain large in rural areas

Although most rural young workers consider themselves to have the relevant qualifications, skills mismatch and, in particular, underqualification, is a major issue. Figure 1.15 displays subjective and objective measures of skills mismatch. The subjective measure corresponds to rural young workers' perceptions about the relevance of their education to their current job requirements. In turn, the objective measure follows a normative approach based on the level of education required for each type of occupation. According to the subjective measure, the majority of rural young workers, 62.8%, consider themselves to have the relevant education (Figure 1.15 Panel A). Only 19.2% consider themselves as underqualified, and 18.0% as overqualified. Based on these subjective figures, skills mismatch does not seem to be a major issue for rural youth. This is all the more true for urban youth who, to a larger extent, consider themselves to have the relevant education (66.2%); 19.4% perceive themselves as underqualified and 14.5% as overqualified. The higher share of self-reported overqualified young workers in rural areas reinforces the idea that higher-skilled occupations are more out of reach there than in urban areas.

However, the normative skills mismatch measurement tells us quite a different story. On average, only 39.4% of rural young workers have the level of education required for their current occupation (Figure 1.15 Panel B). Bangladesh and Uganda are extreme cases: 74.0% and 55.4% of rural youth think they have the relevant qualification, but in reality 91.3% and 94.5%, respectively, are underqualified. Skills mismatch in developing countries is essentially a problem of underqualification, i.e. individuals have not completed the level of education that is, in principle, required in their occupational group. While 17.9% of rural young workers are affected by overqualification, which is already quite significant, no less than 42.7% are underqualified. Underqualification is thus a major issue for youth in rural areas. Skills mismatch and, in particular, underqualification, is less pervasive in urban areas, stressing again the greater need for more productive and skilled jobs in rural settings. In fact, 46.9% of urban young workers have completed the level of education required for their current occupation, 35.6% are underqualified and 17.4% are overqualified. Underqualification of rural youth is more prevalent in sub-Saharan African countries and in Asian countries. In addition to Bangladesh and Uganda, the share of underqualified rural young workers also reaches extremes in Liberia (81.4%), Malawi (83.2%) and Bangladesh (91.3%).

Figure 1.15. Rural young workers' skills mismatch using subjective and normative measures

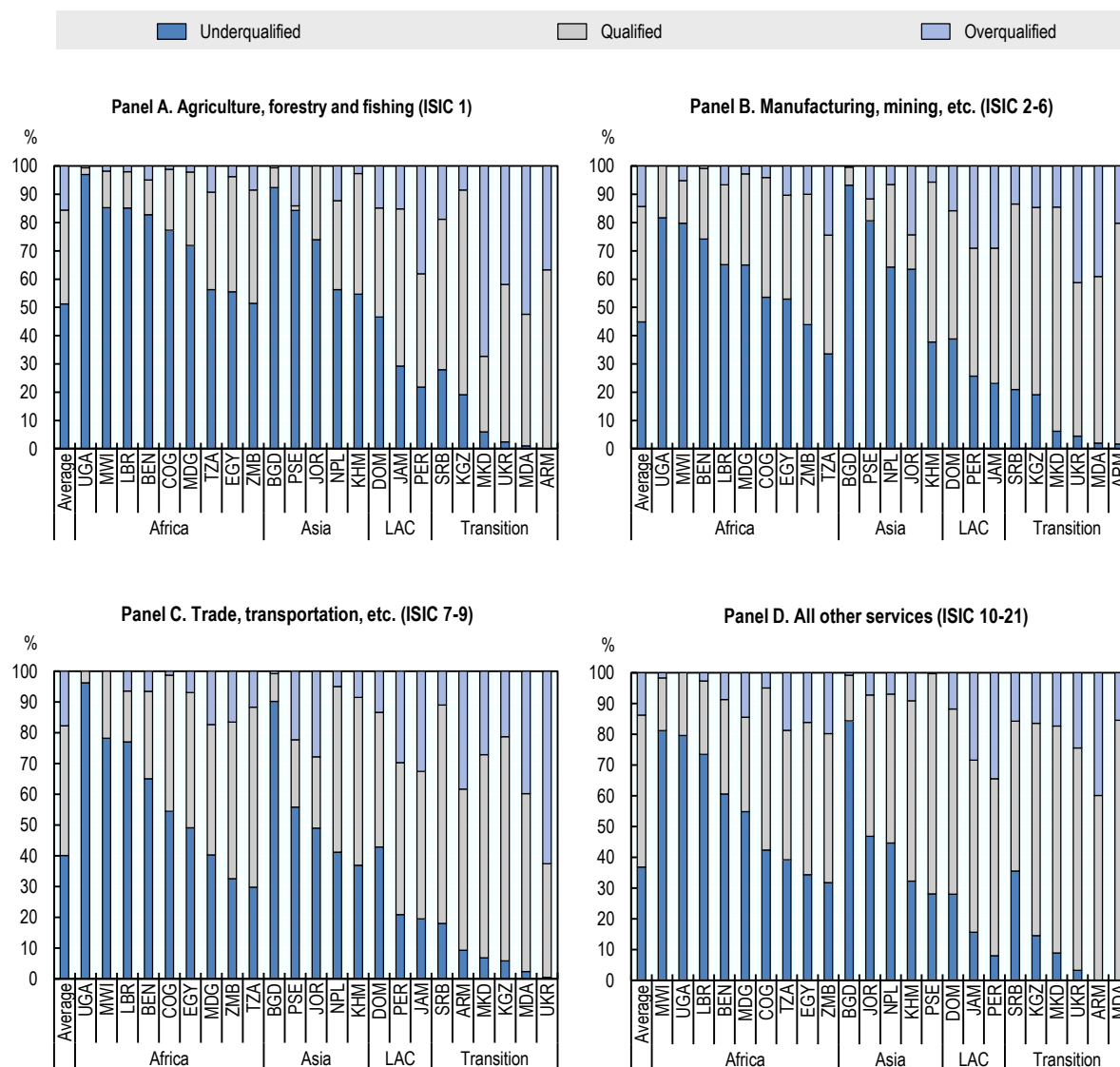
1. See Notes 1-4 of Figure 1.2.
2. The normative mismatch measure is based on a mapping of ISCO-08 major groups to ISCED skills levels as follows: An individual working in a high-skilled occupation (ISCO 1-3) should have completed at least some tertiary education, an individual working in a medium-skilled 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 adequately qualified and, if not, they enter into the over- or underqualified category.
3. Panel B data are missing for Tunisia.

Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Not all sectors of activity are equally affected by skills mismatch in rural areas. Skills mismatch and underqualification are most prevalent in the agricultural sector, with only

33.2% of rural young workers having the relevant qualification, while 51.2% are underqualified (Figure 1.16).

Figure 1.16. Distribution of rural young workers by normative skills mismatch category and sector of activity, %



1. See Notes 1-2 of Figure 1.15.

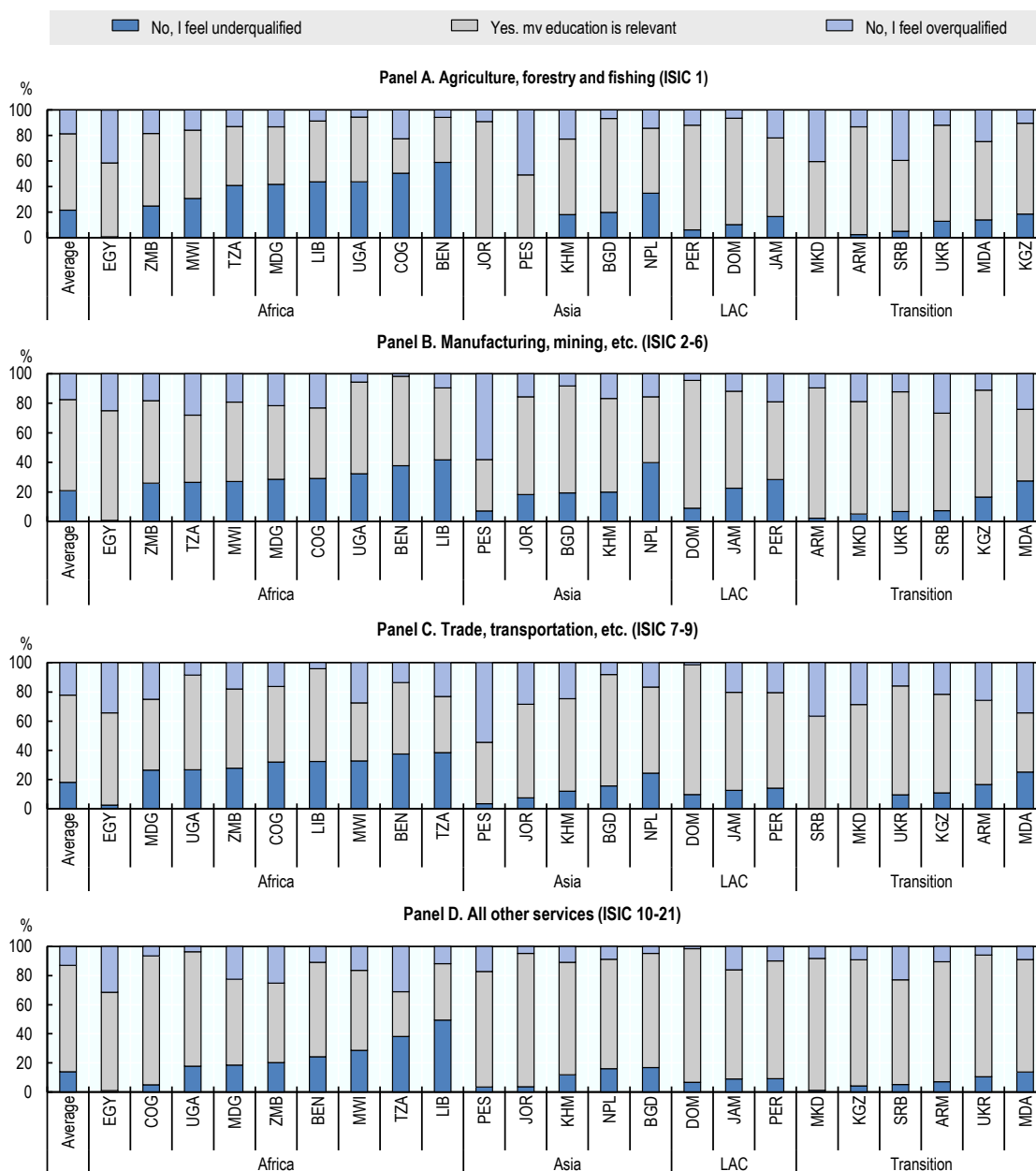
2. Data are missing for Tunisia.

Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Overqualification is, on the other hand, quite marginal at 15.5%. While skills mismatch in the agricultural sector is a widespread phenomenon in rural areas, in the other sectors things are better. Among rural young workers in manufacturing, 40.8% are likely to have the relevant qualifications, while in trade and transportation this share is 42.2%, and in all other services this share is 49.4%. Less than half – 44.8%, 40.1% and 36.8%, respectively – are underqualified in these sectors. Compared with agriculture, skills mismatch and

underqualification in all other sectors is less of a problem, whereas overqualification is becoming one in trade and transportation (17.7%). In most of the African and Asian countries surveyed, the vast majority of rural young workers engaged in agricultural activities are underqualified. Furthermore, it is also in the agriculture sector that, overall, rural young workers perceive themselves as the most underqualified (subjective measure) by comparison with other sectors (Figure 1.17).

Figure 1.17. Distribution of rural young workers by subjective skills mismatch category and sector of activity, %



1. See Note 1 of Figure 1.15.

2. Data are missing for Tunisia.

Source: Authors' own calculations based on ILO's School-to-Work Transition Survey data from 2012 to 2015.

Conclusion

The global youth population today is at its highest ever, with one in six persons in the world aged between 15 and 24. The highest proportion of youth today lives in Africa and Asia. In Africa, the youth population will continue to increase until 2050. Although large disparities are observed across countries, the majority of youth in developing countries still live in rural areas. Rural young people are a socially and spatially diverse group and several factors will influence their employment outcomes, including their level of education and skills, gender, location, social norms, social networks, and access to assets such as land, finance and knowledge.

Educational attainment among rural youth in developing countries is generally low and large numbers work in vulnerable jobs and agricultural activities. One in five rural youth never attended school and barely half have at best completed primary education. Agriculture remains the main provider of jobs for rural youth, but the sector is characterised in developing countries by low productivity and earnings and poor working conditions. This results in very few rural youth having high-skilled positions. Self-employment and contribution to family work, usually considered vulnerable jobs, are dominant forms of employment. Wage employment constitutes a less important share of rural youth employment, except in Asia-Pacific, where manufacturing has been expanding along with urbanisation trends.

It is no surprise that rural youth aspire to more and better. They want better pay, more stable jobs, greater social status and improved working and living conditions. In fact, the majority of rural youth currently studying want to be in high-skilled occupations, but in reality, few will end up doing as they wish. High levels of aspirations can only fuel frustration when skills mismatch is a real problem and labour demand in rural areas remains low. In rural areas, skills mismatch and underqualification are most pervasive in the agricultural sector. Moreover, a persistent high level of job dissatisfaction among youth in agriculture fosters rural outmigration. Narrowing these gaps, both in aspirations and in skills mismatch, will require both supply-side and demand-side policy actions.

Notes

¹ Although the 24 SWTS countries are clearly not representative of the global youth population, they nonetheless mirror the diversity of the developing world in terms of both geographical location and income level. Based on the 2018 World Bank country income classifications, we have 7 countries classified as low-income economies (Benin, Liberia, Madagascar, Malawi, Nepal, Tanzania and Uganda); 12 as lower-middle income economies (Armenia, Bangladesh, Cambodia, Congo (Republic of the), Egypt, Jordan, Kyrgyzstan, Moldova, Tunisia, Ukraine, West Bank and Gaza, and Zambia); and 5 as upper middle-income economies (Dominican Republic, FYROM, Jamaica, Peru and Serbia). In terms of geographical location, 8 countries are located in sub-Saharan Africa (Benin, Liberia, Madagascar, Malawi, Tanzania, Uganda, Congo (Republic of the) and Zambia), 6 in Europe and Central Asia (Armenia, FYROM, Kyrgyzstan, Moldova, Serbia and Ukraine), 4 in the Middle East and North Africa (Egypt, Jordan, Tunisia, and West Bank and Gaza), 3 in Latin America and the Caribbean (Dominican Republic, Jamaica and Peru), 2 in South Asia (Bangladesh and Nepal), and 1 in East Asia and the Pacific (Cambodia). For the sake of readability, countries are divided in all the graphs of this chapter into four broad regions: Africa, Asia, Latin America and the Caribbean, and Transition countries.

² Note that some countries have joined a higher income group since the year of the survey (e.g. Bangladesh, Cambodia, Peru).

³ The only low-income economies not in sub-Saharan Africa are Afghanistan, Democratic People's Republic of Korea, Haiti and Nepal.

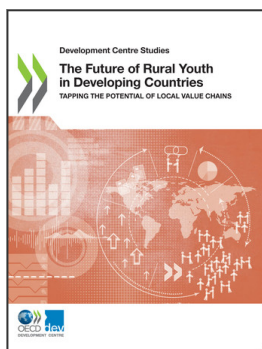
⁴ Vulnerable employment refers to own-account workers and contributing family workers.

⁵ Mining and quarrying are often mistakenly included in the secondary sector; however, this should not be the case because these are extractive activities and therefore relate to primary production.

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