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Labour market transitions of young women and men in Zambia

Francis Chigunta, Ngosa Chisup, and Sara Elder

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Preface

Youth is a crucial time of life when young people start realizing their aspirations, assuming their economic independence and finding their place in society. The global jobs crisis has exacerbated the vulnerability of young people in terms of: i) higher unemployment, ii) lower quality jobs for those who find work, iii) greater labour market inequalities among different groups of young people, iv) longer and more insecure school-to-work transitions, and v) increased detachment from the labour market.

In June 2012, the International Labour Conference of the ILO resolved to take urgent action to tackle the unprecedented youth employment crisis through a multi-pronged approach geared towards pro-employment growth and decent job creation. The resolution "The youth employment crisis: A call for action" contains a set of conclusions that constitute a blueprint for shaping national strategies for youth employment.[1] It calls for increased coherence of policies and action on youth employment across the multilateral system. In parallel, the UN Secretary-General highlighted youth as one of the five generational imperatives to be addressed through the mobilization of all the human, financial and political resources available to the United Nations. As part of this agenda, the United Nations has developed a System-wide Action Plan on Youth, with youth employment as one of the main priorities, to strengthen youth programmes across the UN system.

The ILO supports governments and social partners in designing and implementing integrated employment policy responses. As part of this work, the ILO seeks to enhance the capacity of national and local level institutions to undertake evidence-based analysis that feeds social dialogue and the policy-making process. To assist member States in building a knowledge base on youth employment, the ILO has designed the "school-to-work transition survey" (SWTS) and the "labour demand enterprise survey" (LDES). The current report, which presents the results of the surveys in Zambia, is a product of a partnership between the ILO and The MasterCard Foundation. The "Work4Youth" Project entails collaboration with statistical partners and policy-makers of 28 low- and middle-income countries to undertake the SWTS and assist governments and the social partners in the use of the data for effective policy design and implementation.

It is not an easy time to be a young person in the labour market today. The hope is that with leadership from the UN system, with the commitment of governments, trade unions and employers' organization and through the active participation of donors such as The MasterCard Foundation, the international community can provide the effective assistance needed to help young women and men make a good start in the world of work. If we can get this right, it will positively affect young people's professional and personal success in all future stages of life.

Azita Berar Awad Director Employment Policy Department	Martin Clemensson Director ILO Country Office for Zambia, Malawi and Mozambique

[1] The full text of the 2012 resolution "The youth employment crisis: A call for action" can be found on the ILO website at: http://www.ilo.org/ilc/ILCSessions/101stSession/texts-adopted/WCMS_185950/lang--en/index.htm.

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Acknowledgements

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Finally, the ILO would like to acknowledge the support given by The MasterCard Foundation in allowing the research to move forward, under the scope of the Work4Youth partnership.

1. Introduction and main findings

1.1 Overview

Despite rapid economic growth in recent years, youth unemployment and underemployment in Zambia remain high. Although the country has a high overall labour force participation rate (80 per cent), young people aged 15–29 have a low rate at 52.8 per cent. The unemployment rate of youth is higher than the national average at 17.7 per cent. If the youth who are not actively seeking work are included in the count, the youth unemployment rate more than doubles to 38.0 per cent. Compared to adults, young people, especially those in the younger age cohorts (15–19), find themselves engaging in low-productivity, low-income survival pursuits in a range of activities, whether licit or illicit, in the informal economy.

Zambia has a number of policies and programmes that seek to fight youth unemployment, the most recent of which is the National Action Plan (NAP) for Youth Employment, which is aligned to the revised Sixth National Development Plan. The NAP is intended "to provide a framework for informed and effective support in the design, monitoring and evaluation of policies and programmes that will promote productive and job-rich growth for our Zambian youth".[2] The emphasis on monitoring and evaluation is an important justification for the recent work undertaken within the framework of the ILO's Work4Youth Project. The benchmark data provided in the NAP is the Labour Force Survey 2008. More recent information on youth employment is clearly warranted, particularly information that helps to answer the question of why the school-to-work transitions of young people are a long and difficult process.

Recognizing this information gap, the ILO undertook two complementary surveys in Zambia, namely, the school-to-work transition survey (SWTS) and the labour demand enterprise survey (LDES). The SWTS covered young people between the ages of 15 and 29 and aims to generate information on the current labour market situation, the history of economic activities and the perceptions and aspirations of youth. The LDES then complements the supply-side picture provided by the SWTS by looking at the current and expected workforce needs of enterprises and the perspectives of managers on the pool of available young jobseekers and workers. In Zambia, the SWTS was commissioned in December 2012 and targeted a sample size of 3,200 youth. The LDES targeted 475 enterprises. This report presents the findings from these two surveys as input to the monitoring and evaluation of the NAP.

The transition from school to work is a critical stage in the development of young people. It is a stage during which they acquire the necessary skills and experience that make them useful and productive members of society. The survey results show that the youth encounter enormous challenges as they attempt to acquire education, skills and work experience that are critical to finding decent employment.

[2] Speech of President Sata on National Youth Day, 12 March 2013.

1.2 Main findings

Almost all Zambian youths have had some schooling but nearly one-third (30.8 per cent) leave school before completion.

Economic reasons are the main factor behind leaving school early, with a majority of the youth stating that they could not afford the fees or were too poor to continue their schooling (65.7 per cent).

Educational attainment (among youth who complete their education), including vocational training, is fairly high, but young women and youth in rural areas remain disadvantaged when it comes to educational access.

A majority of the youth who completed their education finished at the secondary level (46.2 per cent at the secondary and another 18.8 per cent at the vocational secondary levels). More young women than young men have less than primary-level education, and higher shares of young men than young women have education at the secondary and tertiary levels. The education outcomes of rural youth are inferior to those of their urban counterparts; 30.0 per cent of the youth in rural areas have primary-level or no education compared to only 18.1 per cent in urban areas.

There are signals of future mismatch in the supply and demand of young labour.

Current students in the fields of science and engineering and those in business studies and computing could have a good chance of finding work in the near future, based on signs of future labour demand from enterprises. Unfortunately, a large share of occupational demand is for workers in elementary occupations – domestic cleaners and helpers, drivers and food preparation assistants. It does not appear that there will be sufficient demand to place all of the emerging young people seeking work as professionals, which would mean the well-educated future graduates might be forced to take up work for which they are overqualified.

Current students have unrealistic expectations of obtaining work in the public sector.

In terms of preferred type of future employer (enterprise), the overwhelming majority of the youth (81.5 per cent), especially those in rural areas (85.4 per cent), indicated that they would like to work in the government/public sector. The high expectation among youth for public-sector work is understandable, given the desire for stable employment, especially among those who have invested longer term in their education, but is not realistic given the limited absorption capacity of the government.

The youth labour underutilization rate stands at 64.8 per cent in Zambia.

Labour underutilization is the sum of the share of youth in irregular employment, the unemployed (relaxed definition) and youth neither in the labour force nor in education/training (inactive non-students) as a percentage of the youth population. Only 14.2 per cent of Zambian youth are in regular employment with a contract greater than 12 months, while 20.9 per cent are inactive students, hopefully increasing their human capital for better employment prospects in the future. The remaining categories are less positive in nature: 29.3 per cent of youth are engaged in irregular employment, 26.7 per cent are unemployed (relaxed definition) and 8.9 per cent are neither in the labour force nor in education.

Unemployment affects one-third of the economically active youth population.

The youth unemployment rate in Zambia (relaxed definition) is high at 38.0 per cent.[3] Young females, in particular, have a harder time finding employment in Zambia. A gap of 9 percentage points exists between the unemployment rate of young women (42.7 per cent) and that of young men (33.8 per cent).

The length of unemployment among youth tends to be long.

The share of unemployed youth with a duration of unemployment greater than 1 year is 41.2 per cent (35.5 per cent for young men and 47.2 per cent for young women). Persistent and high youth unemployment could have adverse long-term consequences, such as a higher risk of future unemployment, a prolonged period of unstable jobs and potentially depressed income growth (ILO, 2010). At the same time, the longer the unemployment spell, the more likely prospective employers are to carry negative perceptions of the concerned young jobseeker whom they start to see as unemployable.

Most young Zambians search for jobs through friends, relatives and acquaintances.

The most common method of seeking work among the unemployed is through asking friends, relatives and acquaintances, applied by 56.8 per cent of unemployed youth. One-third (32.6 per cent) of the youth inquired directly at factories, farms, markets, shops or other workplaces. Only a tiny proportion of the youth registered at an employment centre, suggesting the absence of a robust system of public employment services.

The lack of education/training is a major obstacle to finding work, as is the lack of work experience.

Both young people and their potential employers feel constrained by the lack of necessary qualifications and skills. More than one-quarter (29.6 per cent) of young unemployed felt that the requirements of the jobs exceeded the level of education/training received. Beyond the issue of qualifications, employers also cited a lack of work experience on the part of job applicants as a constraint.

Fewer than half of young Zambians are working (43.5 per cent) and, for those who do work, the quality of employment is often low.

More than half (57.6 per cent) of young Zambians are self-employed – 24.7 per cent as own-account workers, 6.1 per cent as employers and 26.8 per cent as contributing family workers. The self-employed, whether own-account workers or employers, face relatively higher economic risks since their remuneration is dependent on the number of units sold or services rendered. A majority of self-employed youth took up self-employment because they could not find paid employment (53.2 per cent).

Of the young workers who do attain paid work, more than two-thirds (71.5 per cent) are employed in a job with a contract duration of 1 year or less. Only 24.9 per cent of working youth have a written contract.

Over one-half (57.6 per cent) of employers and own-account workers are taking home less than the average monthly wage of those sampled. Informal employment is also a significant concern with almost all young workers engaged informally (94.7 per cent).

[3] The "relaxed" definition is used, whereby the jobless (and available to work) youth does not have to demonstrate an active job search for inclusion in the category. See section 3.7.

Youth work primarily in services and many youth, especially young women, take up work in elementary occupations, including as domestic workers.

Nearly two-thirds (64.5 per cent) of youth work in the services sector, 25.9 per cent work in the agricultural sector (including fishing), and 9.6 per cent work in the industrial sector. In terms of occupations, the largest share of young employed persons are engaged in an elementary occupation (35.7 per cent), followed by 32.2 per cent in shop and sales work, 11.4 per cent in agriculture and 6.4 per cent in crafts-related work. Notably, the share of young professionals comes to only 4.8 per cent and the share of young managers to 1.3 per cent of all working youth, with more young men than women taking up these higher skilled occupations. Young women have a higher tendency to work in elementary occupations and in sales than young men.

Zambian youth work few hours per week.

More than one-third (38.4 per cent) of youth worked less than 20 hours during the reference week and 49.5 per cent worked part time, or less than 30 hours per week. The short working hours reflect the lack of regular jobs and the precariousness of the occasional young worker in the country. A significant share (18.4 per cent) of young people employed part time stated they would like to work more hours.

The qualifications mismatch is high and more young workers are overeducated for the work they do than undereducated.

One-quarter (25.8 per cent) of young workers are overeducated and 18.7 per cent are undereducated. The phenomenon of overeducation tends to take place when an insufficient number of jobs match a certain level of education, which forces some of the degree holders to take up available work that they are subsequently overqualified for. One consequence is the overeducated youth is likely to earn less than s/he otherwise could have and is not making the most of his/her productive potential. Another consequence is the crowding out of youth at the bottom of the educational pyramid. The less-educated youth find themselves at the back of the queue even for those jobs for which they are best qualified.

Undereducation, on the other hand, which affects mainly Zambian youth working as managers, skilled agricultural workers and technicians or associate professionals, has an impact on the productivity of the worker as well as on their sense of confidence and well-being.

Only one-third (32.2 per cent) of young people have completed their labour market transition; 44.4 per cent remain in transition.

Most young Zambians have either completed their transition to stable and/or satisfactory self-employment (32.5 per cent) or they are in transition (44.8 per cent). The smallest share is those who are yet to start their transition (22.6 per cent), mostly because they are still in education.

Among the young people who have already completed their labour market transition, a minority have attained stable employment (35.9 per cent) while the remaining 64.1 per cent are engaged in what they deem to be satisfactory self-employment or temporary employment. Characteristics that lead to a more successful transition – meaning a greater likelihood of attaining stable employment – are male gender, urban residence and higher household wealth. Young men who have completed their transition to the labour market have a higher likelihood of attaining stable employment than young women (13.4 and 9.8 per cent, respectively). The share of transited youth in stable employment is also significantly higher among youth living in urban areas and in households of above-average income.

Education has a significant influence on the young person's labour market transition.

The higher the educational attainment of the youth, the more likely s/he is to complete their labour market transition and to attain stable employment. More than one-half (63.9 per cent) of youth who completed their university education have completed their labour market transition, compared to 38.3 per cent of youth with a primary education.

Direct transitions are dominant.

All in all the single most dominant way of transitioning into employment is the direct path, with 70.1 per cent of transited youth moving directly to their current stable and/or satisfactory position. This indicates that more than two-thirds of the youth had no intermediary spells before acquiring their current job. In other words, young Zambians do little "shopping around" for jobs. Overall, the duration of 91.1 per cent of youth who transited into stable and/or satisfactory employment was classified as "short", the duration of 8.3 per cent was classified as mid-length, and only 0.7 per cent experienced a lengthy transition period.

For the youth who completed the transition but had not moved directly to their status in stable and/or satisfactory employment, the path to transition proved to be less than 1 year (11.1 months). The youth who remained "stuck" in transition, however, were likely to find themselves staying within the category for an extremely long period of time. The data show that the youth remaining in transition had already spent, on average, almost 3 years (34 months) within the category (meaning they had been unemployed, in non-satisfactory self-employment or temporary employment, or had been inactive non-students with plans to work, or any combination of the three categories).

1.3 Structure of the report

The rest of the report is organized as follows. Section 2 focuses on the socio-economic and labour market conditions of Zambia and introduces the objectives and the methodology of the survey process. Section 3 presents the results of the SWTS with details on the characteristics of the youth and their labour market outcomes. Section 4 introduces the classification of stages of labour market transition and investigates the characteristics that lead to more advantageous labour market outcomes. Section 5 presents the results of the LDES, focusing particularly on what enterprises look for in prospective employees and whether or not the supply of labour as defined by the SWTS is likely to satisfy the demand for labour. Finally, section 6 outlines the institutional framework and relevant employment policies and concludes with a presentation of policy implications highlighted from the report.

2. Overview of the labour market and survey methodology

2.1 The socio-economic context

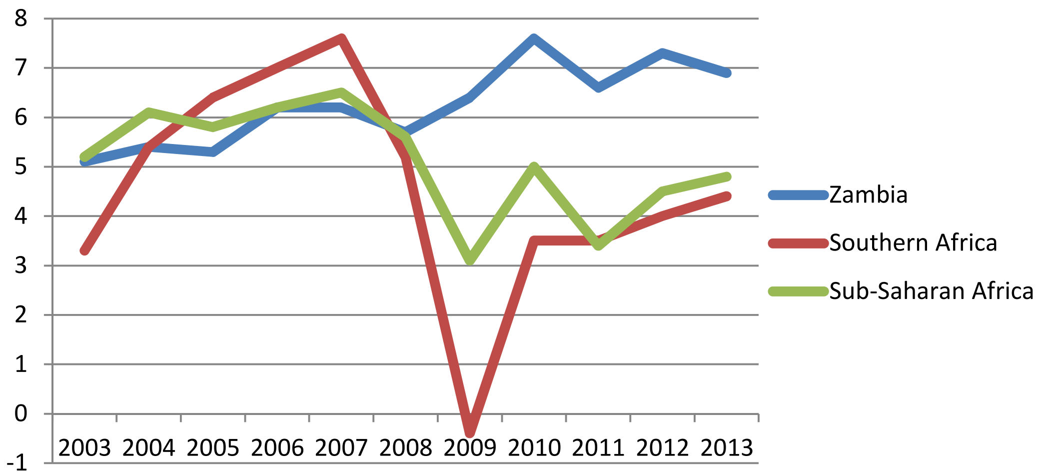
Zambia's economy has experienced strong growth in recent years. The country's national output, as measured by gross domestic product (GDP), has grown by an average of 6–7 per cent annually in the recent past (table 2.1). Estimates suggest that growth in 2012 was higher than that recorded in 2011 at 7.3 and 6.6 per cent, respectively, although it is projected to decline slightly in 2013 to 6.9 per cent. Zambia's economic performance is much higher than regional growth levels for Southern Africa and sub-Saharan Africa (SSA), which hover around 4 per cent (figure 2.1).

Table 2.1 Zambia's macroeconomic indicators

Indicator	2010	2011	2012	2013(p)
Real GDP growth	7.6	6.6	7.3	6.9
Real GDP per capita growth	4.8	3.7	3.9	4.2
CPI inflation	8.5	8.7	8.0	8.5
Budget balance % GDP	-3.0	-2.6	-3.6	-3.0
Current account % GDP	3.6	5.4	3.6	4.0

Note: The figures for 2013 are projections.
Source: AfDB et al. (2012).

Figure 2.1 GDP growth rate, Zambia, Southern Africa and sub-Saharan Africa (%)



Note: The figures for 2013 are projections.
Source: AfDB et.al. (2012).

The key contributors to the sustained increase in economic activity in Zambia have been increased production in the mining, agricultural and construction sectors. Mining, in particular, is fuelled by foreign investment and accounts for most of the growth. Prudent fiscal policy and sound macroeconomic management have also been critical factors in creating an environment conducive to growth by stabilizing economic conditions, lowering the cost of capital and putting downward pressure on the real exchange rate. During this period, inflation fell to single-digit levels and foreign reserves increased, while the overall business climate improved. This has stimulated notable increases in foreign direct investment (FDI) flows. However, the most salient risks to Zambia's economy stem from global economic developments which directly impact the price of copper, the country's chief export. The economy of the country is extremely vulnerable to any deterioration in the economic situations in the eurozone, China and other major markets.

The current pick-up in growth has propelled Zambia into the ranks of middle-income countries.[4] A major challenge, however, is that Zambia's recent growth has not been inclusive. As used here, inclusive growth is defined as "growth that not only creates new economic opportunities, but also one that ensures equal access to the opportunities created

[4] Specifically, Zambia is classified as "lower-middle income" based on the World Bank income classification, July 2011 revision.

for all segments of society, particularly for the poor" (Ali and Hwa Son, 2007 p. 12). While per capita income has risen from about US$ 370 in 2000 to over US$ 1,457 (2010 estimate), unemployment, underemployment and poverty have remained stubbornly high.

The 2010 living conditions and monitoring survey (LCMS) shows that poverty in Zambia is serious and widespread. While the poverty head count has declined from 68 per cent in 2004 to 62.8 per cent in 2010, it still remains high. According to the 2010 LCMS, extreme poverty stands at 42.7 per cent. Notably, the statistics indicate that poverty is largely a rural phenomenon. While urban poverty declined from 53 per cent in 2006 to 34 per cent in 2010, rural poverty increased from 78 per cent to 80 per cent during the same period. Zambia, therefore, faces the challenge of ensuring that the benefits of growth are equitably shared by all the people, especially young people. In view of this, it is highly unlikely that Zambia will meet Millennium Development Goal (MDG) 1 on reducing extreme poverty.[5]

The labour absorptive capacity of the economy is limited. While the private sector is expected to create jobs, it has not had much success in doing so. The universe of Zambia's private sector is sharply divided into large enterprises and micro, small and medium enterprises (MSMEs). The large enterprises generate most of the economic growth, exports and tax revenues. However, they employ fewer workers overall than the small enterprises. A majority of MSMEs are found in the informal sector. According to the 2010 Zambia Business Survey, MSMEs with better educated owners are more productive than other MSMEs in both the agricultural and non-agricultural sectors. Most workers in MSMEs are unpaid family members or workers paid in kind. Workers in the informal economy generally possess low levels of skills and education. According to the 2008 labour force survey (LFS), 65.5 per cent of workers in the informal economy possess either no education or solely primary education, with less than 0.1 per cent having a tertiary degree.

2.2 The labour market in Zambia

2.2.1 Demographic trends

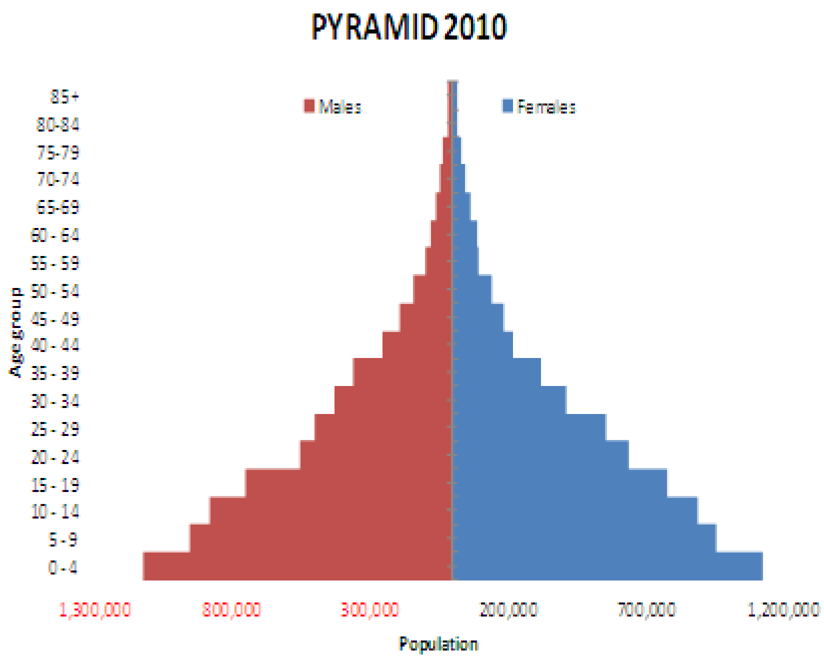
In 2010, Zambia's population was estimated at 13,046,508 people, with males accounting for 49 per cent and females 51 per cent. The population of Zambia increased from 7.8 million in 1990, 9.9 million in 2000 to 13 million in 2010. This gives an average annual growth rate of 2.8 per cent between 2000 and 2010. The country has a bottom-heavy demographic structure, characterized by a large youth bulge (figure 2.2). Almost 75 per cent of Zambia's population is below the age of 35.[6] Table 2.2 shows the distribution of Zambia's population by broad age groups.

Zambia's large and growing youth population will continue to pose serious socio-economic challenges, especially the need to create sufficient numbers of jobs for the youth population. Figure 2.3 shows that the proportion of young people in Zambia's total population will remain unchanged at around 20 per cent over the coming decades.

[5] According to the 2013 MDG Progress Report, poverty has declined at a slow pace in Zambia, raising fears that the country will not be able to reduce extreme poverty to 29 per cent by 2015.

[6] Based on the 2010 Census, about 45 per cent of the population is aged 14 or below; 21 per cent is between the ages of 15 and 24; and 25 per cent is between 15 and 35 years of age.

Figure 2.2 Distribution of Zambian male and female population by age group, 2010



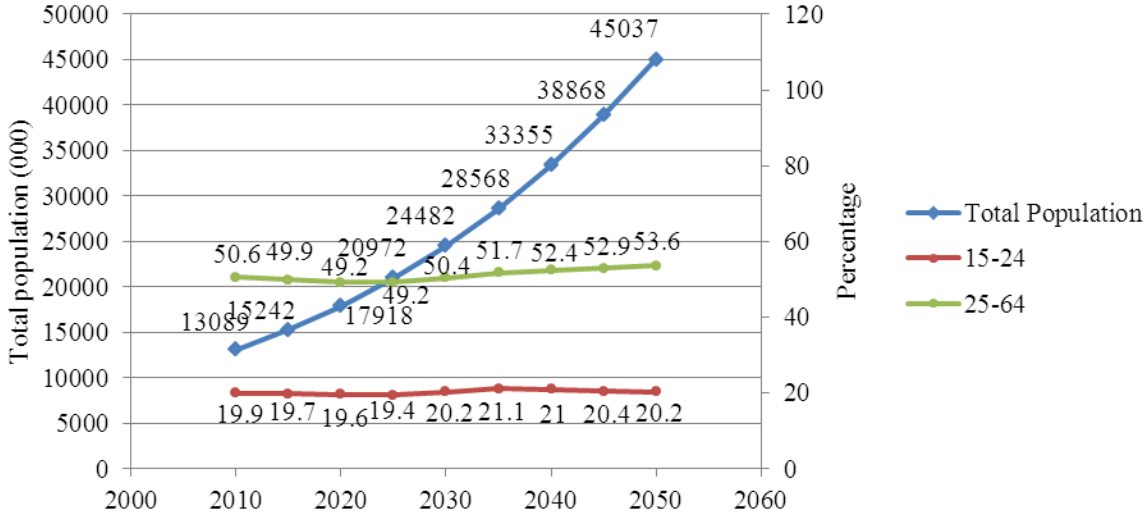
Source: 2010 Census.

Table 2.2 Population distribution of broad age groups by sex and area of residence, 2010

Age group	Total	Male	Female
0–14	5 943 169	2 954 372	2 988 797
0–24	8 668 926	4 256 255	4 412 671
15–24	2 725 757	1 301 883	1 423 874
All ages	13 046 508		
Rural			
0–14	3 850 318	1 931 217	1 919 101
0–24	5 375 374	2 669 635	2 705 739
15–24	1 525 056	738 418	786 638
Urban			
0–14	2 092 851	1 023 155	1 069 696
0–24	3 293 552	1 586 620	1 706 932
15–24	1 200 701	563 465	637 236

Source: 2010 Census.

Figure 2.3 Population estimates and projections, 2010–50



Source: Census 2010.

2.2.2 Trends in education

In recent years, Zambia has made significant progress in school enrolments. At the primary school level, statistics indicate that enrolments increased by over 1.4 million students from 1.6 million in 2000 to over 3 million in 2011 (of which females were 50.1 per cent). In terms of the net enrolment ratio (NER), this represents 93.7 per cent, while completion rates at Grade 7 were 91 per cent. In view of these results, Zambia remains on course to achieve the MDG target of universal primary education by 2015.

In Grade 8–9, completion rates improved from 43 per cent in 2005 to 52 per cent in 2009 and 53 per cent in 2011 – although this remains below the 55 per cent target set in the current Sixth National Development Plan (SNDP). The NER for Grade 8–9 stands at 36.5 per cent – above the SNDP target of 34 per cent, while the gender parity index stands at 0.97 against a target of 0.99.

To increase access at the high school level, the plan was to construct a total of 100 high schools during the First National Development Plan (2006–09) period. Although only 47 high schools were completed, this translated into 564 classrooms, thereby creating learning space for 22,560 pupils. Consequently, pupil enrolments rose from 162,019 in 2005 to 257,100 in 2009. Currently, there are approximately 3.8 million children in school (table 2.3). Completion rates at Grade 12 improved from 17 per cent in 2005 to 19 per cent in 2009 and 32 per cent in 2011. The pupil–teacher ratio also improved from 22:1 to 20:1 in 2005 and 2009, respectively, while the NER increased from 21 per cent in 2005 to 26 per cent in 2009 and 28.5 per cent in 2011.

At the tertiary level, the government has been encouraging the establishment of private universities. These efforts have resulted in the establishment of 14 private universities and one additional public university. Total enrolment in public universities increased from 12,774 in 2005 to 19,086 in 2009. This is a marginal increase that leaves out the majority of young people who are eligible to enter university.

Table 2.3 Enrolment in all schools, grades 1–12 by province, 2010

Province	Total	Male	Female
Central	437 330	222 513	214 817
Copperbelt	631 704	313 725	317 979
Eastern	422 769	216 576	206 193
Luapula	302 982	158 255	144 727
Lusaka	503 291	233 113	270 178
N. Western	247 443	127 993	119 450
Northern	501 348	263 475	237 873
Southern	495 475	256 590	238 885
Western	251 877	129 216	122 661
Zambia	3 794 219	1 921 456	1 872 763

Source: Ministry of Education, Education Statistical Bulletin, 2010.

2.2.3 The labour market in Zambia

The 2008 LFS estimated Zambia's working-age population at 6.8 million, up from 6.2 million in 2005. Of this figure, the labour force amounted to 5.4 million out of a population of 12.4 million. The 2008 the labour force participation rate (aged 15 or higher) in Zambia was high (80.1 per cent). Males had a higher labour force participation rate (83.3 per cent) than females (76.9 per cent), although the difference between the sexes is not excessive. Results show that labour force participation rates tend to increase with age, which is to be expected as young people begin to emerge from school.

The young people aged between 15 and 29 account for 4.4 million persons out of a working-age population of 6.8 million, representing 65 per cent of the working-age population. As shown in table 2.4, the highest participation rate was for those aged between 25 and 29 at 87.5 per cent while the lowest was 58.3 per cent for those in the age group 15–19.

Table 2.4 Labour force participation rate by age group, area of residence and sex, 2008 (%)

Age group	Total		Rural		Urban		Male		Female	
	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive
Total	80.1	19.9	88.0	12.0	66.2	33.8	83.3	16.7	76.9	23.1
15–19	58.3	41.7	72.8	27.2	34.6	65.4	58.4	41.6	58.2	41.8
20–24	76.8	23.2	88.1	11.9	58.6	41.4	78.6	21.4	75.4	24.6
25–29	87.5	12.5	94.4	5.6	26.6	23.4	93.8	6.2	82.1	19.9

Source: LFS, 2008.

In terms of residence, the labour force participation rate in urban areas was relatively lower (66.2 per cent) than in rural areas (88.0 per cent). The participation rate in both rural and urban areas varies significantly according to age group and sex.

Employment trends

The 2008 LFS reports that a total of 5.2 million people were employed, of which 51 per cent were males and 49 per cent were females – almost the same as in 2005 (about 52 per cent were male and 48 per cent were female). The total employment-to-population ratio (EPR) in 2008 was 77.8 per cent (a slight increase from 77.0 per cent in 2005). The male EPR was 80.8 per cent compared to 74.8 for females. The rural areas registered a higher EPR (88.0 per cent) than urban areas (66.2 per cent).

According to the 2008 LFS, 43 per cent of all persons employed were self-employed; 40 per cent were unpaid family workers and 17 per cent were paid employees. The figures have remained basically unchanged since 2005. The agricultural, forestry and fishing sector was the largest employer (73 per cent), followed by wholesale and retail trade (8.8 per cent), and community social and personal industry (7.3 per cent).

Fifty (50) per cent of persons without education were self-employed, while 44 per cent were unpaid family workers. The pattern for persons who attained primary and junior secondary education was similar to that of those without education. Of the persons with senior secondary education, 36 per cent were self-employed while 28 per cent were paid employees. Seventy seven (77) per cent of persons with tertiary education were paid employees. This suggests a strong correlation between higher levels of education and paid employment.

Zambia's formal labour market constitutes a relatively small fraction of the total labour market. The 2008 LFS reveals that a total of 522,176 people (10 per cent) of the labour force were employed in the formal sector – mainly in the public sector (central government, local government and parasternal). An overwhelming majority (4.7 million persons or 90 per cent) of workers were in the informal sector.[7] Table 2.5 shows that informal employment has been growing over the years. According to the 2008 LFS, 99 per cent of all employed persons aged 15–19 were in the informal sector, declining to 85 per cent among those in the 30–34 year age group. This suggests an inverse relationship between age and informal sector employment.

Table 2.5 Informal employment in Zambia in selected years (%)

Area	1996	1998	2004	2006	2008
Zambia	74	79	81	82	90
Rural	84	91	91	91	96
Urban	48	48	57	75	74

Source: 2008, 2005 LFS.

Table 2.6 Unemployed rate by age group, area of residence and sex, 2008 (%)

Age group	Total			Rural			Urban		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
15+	15	12	18	6	5	6	33	25	41
15–24	28	26	29	11	12	10	53	49	58
15–19	33	33	34	16	17	15	63	60	66
20–24	22	20	24	7	7	7	48	40	55

Source: LFS, 2008.

The 2008 LFS defines unemployment as the proportion of economically active persons who had no jobs but were available for work and/or were seeking work during a specified period. In 2008, as shown in table 2.6, 28 per cent of the economically active youth (aged 15–24) were unemployed – almost double the national average of 15 per cent.

[7] Informal sector employment in the 2008 LFS was defined as employment in which the employed persons were not entitled to paid leave, pension, gratuity and social security.

There were significant variations according to sex and region, with unemployment rates persistently higher among women and in urban areas.

The unemployment situation is compounded by the high number of youth, currently estimated at over 300,000, entering the labour market every year (2010 Education Bulletin). The population of those not in employment, education or training (NEET) increased from 9.6 per cent in 2005 (5.2 per cent males and 13.7 per cent females) to 15.5 per cent in 2008 (12.0 per cent males and 19.0 per cent females). The lack of jobs in the country also appears to have forced many graduates into dead-end or low-level jobs to survive.[8] Section 3 of this report investigates these issues further and, perhaps for the first time, supports the findings with robust labour market information.

2.3 School-to-work transition survey and labour demand enterprise survey: Objectives and methodology

Current restrictions in labour market information have led to a situation in which the question of why the school-to-work transitions of young people today are a long and difficult process has not yet been satisfactorily answered. At the same time, the goal of improving the transitions of youth is among the top policy priorities of most countries in the world. In response to this obvious information gap, the ILO has developed a research framework: the Labour Market Transition Study concept. The concept is composed of two surveys: the school-to-work transition survey (SWTS) is a detailed household survey covering 15–29 year-olds (see box 1). It is applied at the national level to generate information on the current labour market situation, the history of economic activities and the perceptions and aspirations of youth. This supply-side picture is then balanced by a second survey that aims to measure labour demand, particularly for young workers. The labour demand enterprise survey (LDES) investigates the current and expected workforce needs of enterprises, and the perspectives of managers on the pool of available young jobseekers and workers.

Box 1. Definition of youth

While in other contexts, a youth is defined as a person aged between 15 and 24 (United Nations) or between 15 and 35 (African Union), for the purpose of the SWTS and related reports, the upper age limit is 29 years of age. This recognizes the fact that some young people remain in education beyond the age of 24, and allows the opportunity to capture more information on the post-graduation employment experiences of young people.

Zambia undertook the SWTS and LDES to collect and analyse information on the various challenges that impact young men and women as they make the transition to working life. The SWTS and LDES were implemented by Ipsos Zambia with field work completed from December 2012 to January 2013.[9] Funding for the surveys came from the Work4Youth partnership between the ILO Youth Employment Programme and The MasterCard Foundation (see box 2). The partnership supports the SWTS in 28 target countries, and data from the first round is being made available throughout 2013. A second round of the SWTS will take place in each of the 28 countries in 2014–15, including in Zambia.

[8] Many of the graduates do not have the requisite skills to find employed or be self-reliant.

[9] Ipsos Zambia was selected as implementation partner following a formal bidding process. The Central Statistics Office was unavailable to implement the SWTS due to its workload pertaining to the 2012−13 labour force survey.

2.3.1 Questionnaire development

The standard ILO SWTS and LDES questionnaires were adapted to the national context based on a consultative process between the ILO and Ipsos Synovate. The questionnaires were drafted and administered in English.[10]

2.3.2 Sample design and selection

The SWTS used the sampling frame of the 2010 Census, run by the Central Statistical Office (CSO). For statistical purposes, the country is divided into ten provinces that are further divided into districts and constituencies within districts, and finally into standard enumeration areas (EAs). A multistage cluster sampling technique was used. Sample allocation began at the cluster level (EAs). The cluster numbers were proportional to the provinces' total population of youth aged 15–29, calculated from the 2010 single age projections provided by the CSO.

Box 2. Work4Youth: An ILO project in partnership with The MasterCard Foundation

The Work4Youth (W4Y) Project is a partnership between the ILO Youth Employment Programme and The MasterCard Foundation. The project has a budget of US$14.6 million and will run for 5 years to mid-2016. Its aim is to "promot[e] decent work opportunities for young men and women through knowledge and action". The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market. The assumption is that governments and social partners in the project's 28 target countries will be better prepared to design effective policy and programme initiatives once armed with detailed information on:

- what young people expect in terms of transition paths and quality of work;
- what employers expect in terms of young applicants;
- what issues prevent the two sides – supply and demand – from matching; and
- what policies and programmes can have a real impact.

Work4Youth target areas and countries:

Asia and the Pacific: Bangladesh, Cambodia, Nepal, Samoa, Viet Nam

Eastern Europe and Central Asia: Armenia, Kyrgyzstan, the former Yugoslav Republic of Macedonia, the Republic of Moldova, the Russian Federation, Ukraine

Latin America and the Caribbean: Brazil, Colombia, El Salvador, Jamaica, Peru

Middle East and North Africa: Egypt, Jordan, Occupied Palestinian Territory, Tunisia

Sub-Saharan Africa: Benin, Liberia, Madagascar, Malawi, Togo, Uganda, United Republic of Tanzania, Zambia

The resulting nationally representative sample of 3,200 individuals was intended to yield reliable estimates for the nation as a whole, by rural and urban areas, and by sex. The final sample came to 3,206 individuals covering 74 districts.

The LDES used a sampling of 475 enterprises using information obtained from the CSO, the Zambia Revenue Authority and the Patents and Companies Registration Agency (PACRA). The enterprises were categorized into three segments based on size: large, small and medium, and micro enterprises. The selected districts were key economic hubs within the ten provinces of the country.[11] Given problems with non-response and overestimation in the sample, the final count came to 400 enterprises.

[10] The final questionnaires will be made available at: www.ilo.org/w4y.

[11] There is likely a resulting bias against agricultural enterprises in the sample.

3. Characteristics of youth

3.1 Individual characteristics of youth

Age groups, sex and rural/urban composition

More youth fall within the younger age bands of 15–19 and 20–24 than the upper age band 25–29. Nearly one-half of the sample was aged 15–19 (45.9 per cent), followed by 33.4 per cent aged 20–24 and 20.7 per cent aged 25–29 (table 3.1). More youth live in rural areas than urban areas (58.4 and 41.6 per cent, respectively). Finally, the youth population is almost equally distributed across the sexes (49.4 per cent male and 50.6 per cent female).

Table 3.1 Distribution of the youth by sex, age group and area of residence

Characteristic	%
Age group	
15–19	45.9
20–24	33.4
25–29	20.7
Sex	
Male	49.4
Female	50.6
Area of residence	
Rural	58.4
Urban	41.6
Total	**100.0**

Source: SWTS-Zambia, 2012.

Marital status and household status

The survey data show that an overwhelming majority of youth (76.0 per cent in the sample) were not married, with less than one-quarter (19.2 per cent) indicating they were married (table 3.2). Only a negligible proportion of the youth were widowed.

Table 3.2 Marital status of youth by residence (%)

Marital status	Rural	Urban	Total
Single/Never married	74.6	77.9	76.0
Engaged	2.5	1.6	2.1
Married	20.3	17.7	19.2
Separated/Divorced	2.3	2.6	2.4
Widowed	0.4	0.2	0.3
Total	**100.0**	**100.0**	**100.0**

Source: SWTS-Zambia, 2012.

The breakdown of the results by residence indicates that slightly more urban youth than rural were not married. However, there was no significant variation in the marital status of rural and urban youth in terms of those who were engaged, separated or divorced, and widowed.

The survey results indicate that 20.3 per cent of youth in the survey had married before the age of 18. Of the remaining, 39.9 per cent married when they were between 18 and 20 years of age and 39.8 per cent when they were above 21 years of age, respectively.

At the time of the survey, slightly more than one-quarter (25.4 per cent) of the young people in the sample were living with their parents (table 3.3). However, more youth in urban areas than in rural areas lived with their parents. The survey results also show that a significant proportion of youth in both rural and urban areas lived with someone they were related to as son, daughter or other relation. Only 13 per cent of youth indicated they lived with a spouse. This is not surprising as an overwhelming majority of respondents were not married.

Table 3.3 Relationship to the head of household by area of residence (%)

Relationship	Rural	Urban	Total
Head	12.7	9.2	11.3
Spouse/Partner	12.6	13.3	12.9
Son/Daughter	27.2	17.6	23.2
Brother/Sister	11.3	13.4	12.2
Parent	22.5	29.5	25.4
Other relative	13.0	16.4	14.4
Not related	0.7	0.6	0.6
Total	**100.0**	**100.0**	**100.0**

Source: SWTS-Zambia, 2012.

Education and occupation of parents

The survey data show that a significant proportion of youth came from households where the parents had at least some education. More than half of the youth (58.3 per cent) came from households where the father had acquired a secondary or higher level of education (table 3.4). The proportion of youths' mothers with at least secondary-level education was 43 per cent. Not surprisingly, significantly more mothers than fathers had no education (15.2 and 7.3 per cent, respectively).

Table 3.5 shows that a significant proportion of the youth came from households where the father was engaged in a high-skilled occupation as a professional (17.8 per cent), manager (3.5 per cent) or associate professional (4.5 per cent). Still, many of the youth have fathers who are engaged in lesser skilled occupations, such as elementary occupations (21.2 per cent) and sales work (11.6 per cent). Youths' mothers were more likely to remain in the lesser skilled occupations, for example, 39.2 per cent in elementary occupations.

Table 3.4 Education attainment of youths' father and mother

Educational attainment	Father (%)			Mother (%)		
	Rural	Urban	Total	Rural	Urban	Total
None	9.4	4.4	7.3	18.3	10.8	15.2
Elementary education	17.3	8.8	13.8	30.1	20.5	26.1
Vocational school (secondary)	4.3	3.3	3.9	9.4	11.6	10.3
Secondary school	28.0	28.2	28.1	20.7	22.4	21.5
Vocational school (post-secondary)	16.3	20.5	18.0	7.0	10.6	8.5
University	4.6	10.2	6.9	1.0	3.2	1.9
Post-graduate studies	0.8	2.3	1.4	0.4	1.4	0.8
Do not know	19.4	22.3	20.6	13.2	19.5	15.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: SWTS-Zambia, 2012.

Table 3.5 Occupation of youths' father and mother (International Standard Classification of Occupations (ISCO-08)

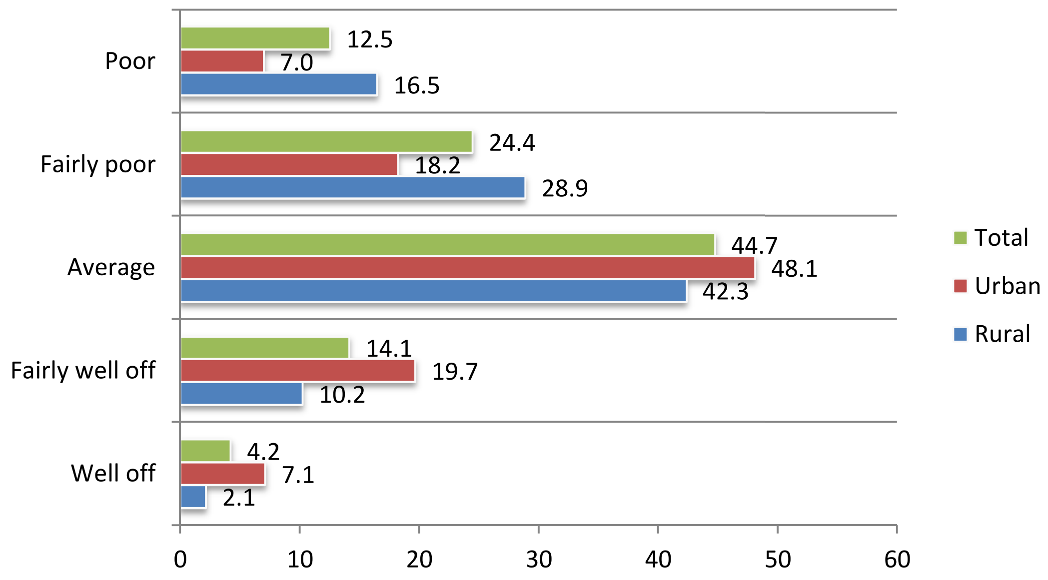
Occupation	Father (%)			Mother (%)		
	Rural	Urban	Total	Rural	Urban	Total
Managers	2.5	4.9	3.5	0.4	1.0	0.7
Professionals	16.3	20.0	17.8	8.2	12.9	10.2
Technicians & associate professionals	3.3	6.1	4.5	0.6	1.0	0.8
Clerical support workers	3.6	3.6	3.6	3.1	3.1	3.1
Service & sales workers	9.9	14.0	11.6	18.4	27.9	22.3
Skilled agricultural, forestry & fishery workers	24.3	9.3	18.0	27.4	10.3	20.3
Craft & related trades workers	6.5	11.2	8.5	2.3	3.7	2.8
Plant & machine operators, & assemblers	4.5	5.7	5.0	0.1	0.0	0.1
Elementary occupations	24.2	17.1	21.2	39.4	39.0	39.2
Armed forces occupations	5.1	8.0	6.3	0.2	1.1	0.5

Source: SWTS-Zambia, 2012.

Household financial status

In terms of the overall financial situation of their households, a significant proportion of the youth (44.7 per cent) describe their household as "average" in terms of income level (figure 3.1). More urban youth came from an average income household than rural youth. Few youth described their household as well off (4.2 per cent) or fairly well off (14.1 per cent). Unfortunately, many more consider their household to be poor (12.5 per cent) or fairly poor (24.4 per cent).

Figure 3.1 Overall financial situation of the household (%)



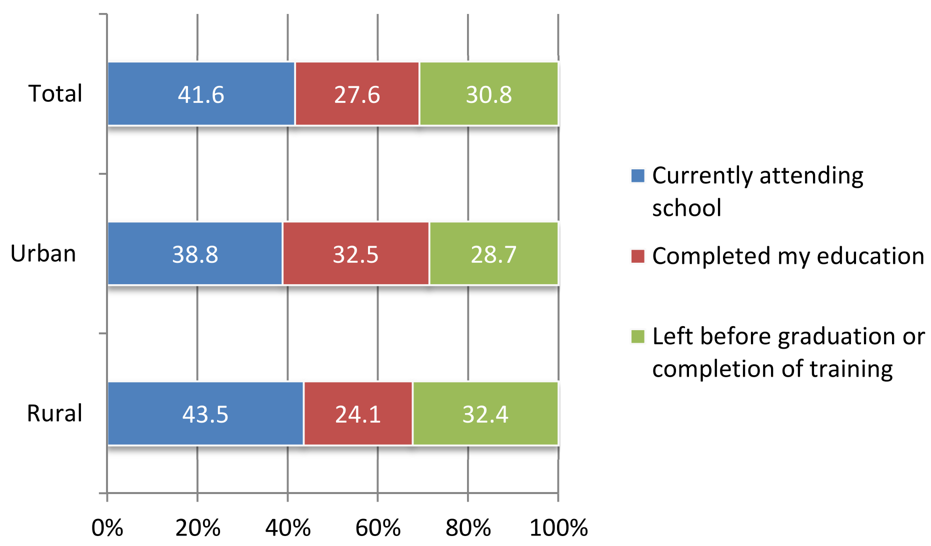
Source: SWTS-Zambia, 2012.

3.2. Educational attainment

Educational status by area of residence

An overwhelming majority of young people (96 per cent) in Zambia have attended school or a training programme at some point in their lives. At the time of the survey, nearly half of the youth (41.6 per cent) indicated they were currently attending school or a training programme (figure 3.2). Only just over one-quarter (27.6 per cent) of the youth population had completed their education and the remaining 30.8 per cent had left school before graduation.

Figure 3.2 Youth population by status in education and area of residence (%)



Source: SWTS-Zambia, 2012.

Early drop-outs or no schooling

Recalling figure 3.2, as many as 30.8 per cent of youth in Zambia said they had left school before completion. Table 3.6 shows youths' reasons for leaving school or training early. The main factor appears to be economic reasons, with a majority of the youth stating that they could not afford the fees or were too poor to continue their schooling (65.7 per cent). The failure of numerous young people to complete their education due to economic reasons appears to be a reflection of the prevailing economic situation in the country. As noted in section 1, while Zambia has enjoyed impressive rates of economic growth in recent years, many people in the country still lives in poverty.

Table 3.6 Reasons for leaving school early

Reason	%
Failed examinations	9.5
Not interested in education/training	6.4
To start working	0.5
To get married	9.4
Parents did not want me to continue/start schooling	1.3
Economic reasons (could not afford/too poor/needed to earn money)	65.7
No school nearby	0.8

Source: SWTS-Zambia, 2012.

Completed educational attainment by sex and area of residence

As shown in table 3.7, a majority of the young people who completed their education finished at the secondary level (46.2 per cent at the secondary and another 18.8 per cent at the vocational secondary levels). More young women than young men have less than primary-level education, and higher shares of young men than young women have education at the secondary and tertiary levels. The education outcomes of rural youth are inferior to those of their urban counterparts; 30.0 per cent of the youth in rural areas have primary-level or no education compared to only 18.1 per cent in urban areas. A significant share of Zambian youth has participated in vocational education or training (18.8 per cent at the secondary level and 9.0 per cent at the post-secondary level).[12]

The survey data show (table 3.7) that nearly half of the youth had completed education at the secondary level (46.2 per cent), followed by those with an elementary or primary education (23.5 per cent). Those who had no education constituted a negligible proportion of the sample. However, only a tiny proportion of the youth had completed university (1.8 per cent).

[12] The Ministry of Education (2010) shows that the distribution of technical, entrepreneurial and vocational education and training (TEVET) institutions in Zambia strongly favours the urban provinces, such as Lusaka (39 per cent of the total), the Copperbelt (26 per cent) and, to some extent, the Southern province (13 per cent). The other provinces house, in total, only 22 per cent of the remaining TEVET institutions in the country.

Table 3.7 Completed educational attainment by sex and area of residence (%)

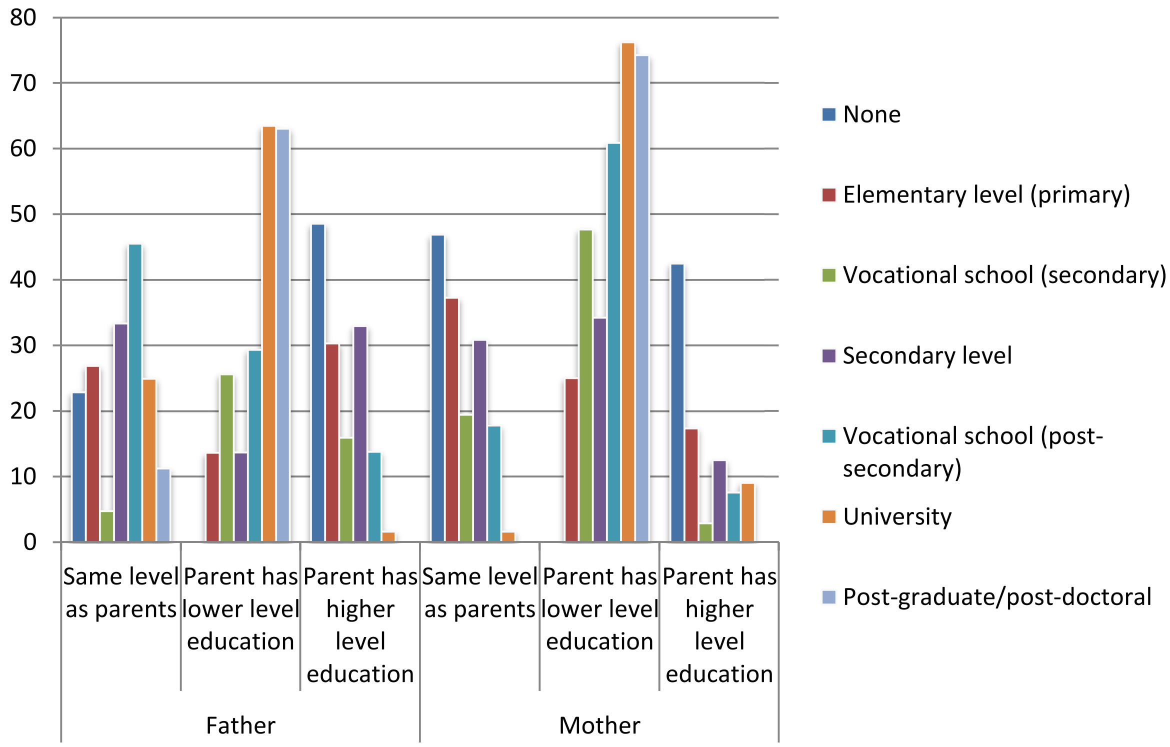
Educational attainment	Total	Male	Female	Rural	Urban
None	0.7	0.4	1.0	0.7	0.8
Elementary level (primary)	23.5	19.9	26.7	28.3	17.3
Vocational school (secondary)	18.8	19.1	18.6	17.1	21.1
Secondary level	46.2	48.4	44.2	45	47.7
Vocational school (post-secondary)	9.0	10.1	8.0	7.0	11.5
University	1.6	1.7	1.5	1.6	1.5
Post-graduate, post-doctoral level	0.2	0.4	0.1	0.3	0.1

Source: SWTS-Zambia, 2012.

Parental education and the education of their children

Figure 3.3 shows the relationship between fathers' and mothers' education and the level of completed education of their children. 22.9 per cent and 46.9 per cent of the youth whose fathers and mothers, respectively, have no education also have no education. This implies a mixed interpretation of an intergenerational persistence of low education outcomes: some youth from households of uneducated parents are not given the chance to pursue their education, but there is also some indication of progress towards increased education across the two generations. More youth have a higher level of education than their parents. There are some exceptions, however. One-third (32.9 per cent) of youth who completed their education at the secondary level had fathers with higher levels of education than their own, for example. In contrast, the youth with a university education surpassed the level of education of their father in 63.5 per cent of the cases and surpassed their mother's level of education 76.2 per cent of the time.

Figure 3.3 Level of completed education, youth and their parents (%)



Source: SWTS-Zambia, 2012.

Household financial situation and completed educational attainment of youth

The survey data suggest that young people who came from households with a strong financial background had access to higher levels of education compared to those with a lower financial background (thus supporting the earlier findings that the leading reason young people drop out of the educational system is a lack of finances). Table 3.8 shows that 52.4 per cent of the youth who live in poor households have primary education only or no education. Only 1.7 per cent of the youth in poor households and 6.5 per cent of youth from fairly poor households have completed tertiary education, including post-secondary vocational schooling. This compares to 25.5 per cent of youth from well-off households and 16.6 per cent of youth from fairly well-off households.

Table 3.8 Youth population by completed education level and household financial status (%)

Completed education level	Household financial status					
	Well off	Fairly well off	Average	Fairly poor	Poor	Total
None	0.0	0.0	0.3	1.2	2.3	0.7
Elementary level (primary)	5.8	13.1	15.5	31.0	50.1	23.5
Vocational school (secondary)	20.1	19.7	14.2	24.3	21.2	18.8
Secondary level	48.7	50.7	57.0	37.1	24.8	46.2
Vocational school (post-secondary)	22.2	13.9	10.8	5.4	1.3	9.0
University	2.6	2.5	1.9	1.1	0.4	1.6
Post-graduate, post-doctoral level	0.7	0.2	0.4	0.0	0.0	0.2

Source: SWTS-Zambia, 2012.

3.3 Current activity status of youth

The traditional classification of current activity status has three categories: employed, unemployed or inactive. The employed and unemployed are added together to form the total labour force. The survey results show that 43.5 per cent of the youth were employed and 9.4 per cent were unemployed (strict definition) for a total labour force participation rate of youth of 52.8 per cent (table 3.9). (See Annex I for definitions of standard labour market terms and indicators.) The share of the female population who are employed and unemployed is 38.1 per cent and 9.1 per cent, respectively, and male shares are 49.0 and 9.6 per cent, respectively. This confirms that young men are more likely to be employed than young women.

Table 3.9 Youth population by main economic activity and sex (%)

Economic activity	Total	Male	Female
Employed	43.5	49.0	38.1
Unemployed	9.4	9.6	9.1
Inactive	47.2	41.4	52.8
Total	**100.0**	**100.0**	**100.0**

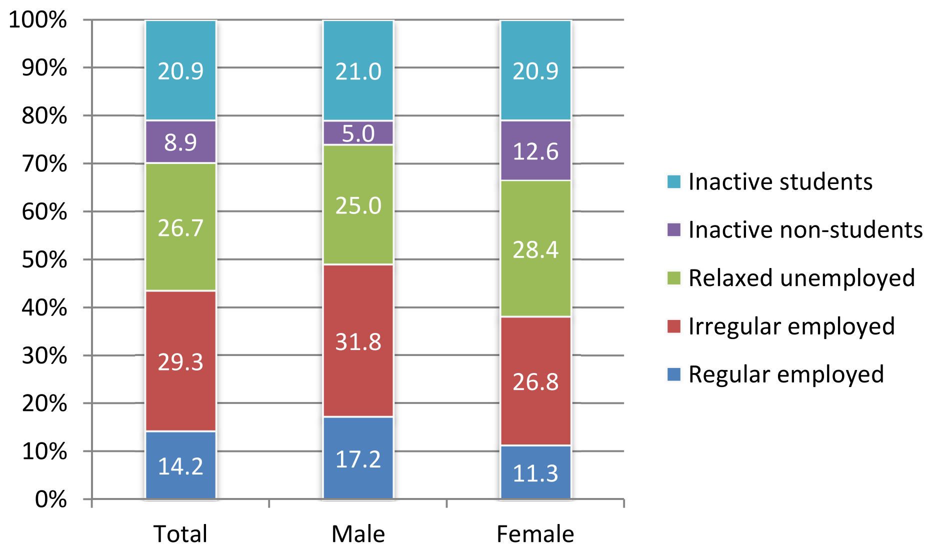
Source: SWTS-Zambia, 2012.

The inactivity rate of young people, i.e. the inverse of the labour force participation rate, is high at 47.2 per cent (41.4 per cent for young men and 52.8 per cent for young women). Given that 41.6 per cent of the sampled youth were still currently studying (figure 3.2), perhaps the high level of inactivity is not so surprising but, as shown below, the indicator also includes a significant number of young people who are not studying and are available to work but not actively seeking work.

In the latest ILO *Global Employment Trends for Youth 2013*, the argument is made that comparing traditional labour market indicators with a more detailed disaggregation of indicators made available through the SWTS allows a more detailed picture of the challenges that youth face in developing economies (ILO, 2013a, Chapter 4). Figure 3.4 shows the results for Zambia. The SWTS framework proposes a distribution of the youth population in the following five categories: (a) regular employment, defined as wage and salaried workers holding a contract of duration greater than 12 months plus self-employed youth with employees (employers); (b) irregular employment, defined as wage and salaried workers holding a contract of limited duration, i.e. set to terminate prior to 12 months, self-employed youth with no employees (own-account workers) and contributing family workers; (c) unemployed (relaxed definition), defined as persons currently without work and available to take up work in the week prior to the reference period; (d) the inactive non-students; and (e) inactive students.

The figure shows that a mere 14.2 per cent of Zambian youth are in regular employment while 20.9 per cent are inactive students, hopefully increasing their human capital for better employment prospects in the future. The remaining categories are less positive in nature: 29.3 per cent of youth are engaged in irregular employment, 26.7 per cent are unemployed (relaxed definition) and 8.9 per cent are neither in the labour force nor in education (inactive non-students).

Figure 3.4 Distribution of youth population according to the SWTS framework



Source: SWTS-Zambia, 2012.

Based on these statistics, the level of underutilization of youth labour can be calculated. Taking the share of youth in irregular employment, unemployed (relaxed definition) and youth neither in the labour force nor in education/training (inactive non-students) as a percentage of the youth population, the youth labour underutilization rate stands at 64.8 per cent in Zambia. Labour underutilization is higher for young women (67.8 per cent) than young men (61.8 per cent).

The level of education has an impact on the current activity status of youth. The economically active youth – the employed and unemployed – maintain higher levels of education compared to the inactive. The largest share of both young workers and young unemployed is those with a secondary education, but there is a greater concentration in the educational category for the unemployed (57.5 per cent for the unemployed and 45.8 per cent for the employed) (table 3.10). The lesser educated – with primary-level schooling or below – are more likely to be either inactive or employed. There is a slightly greater likelihood of the youth with tertiary-level education (university, post-secondary vocational or post-graduate) to be unemployed then employed (13.8 and 12.5 per cent, respectively).

Table 3.10 Youth population by completed education attainment and current activity status (%)

Educational attainment	Employed	Unemployed	Inactive
None	0.8	0.2	0.9
Elementary level (primary)	24.3	12.1	26.9
Vocational school (secondary)	16.6	16.4	23.4
Secondary level	45.8	57.5	42.1
Vocational school (post-secondary)	10.3	11.7	5.7
University	1.8	2.1	1.0
Post-graduate/post-doctoral	0.4	0.0	0.1
Total	**100.0**	**100.0**	**100.0**

Source: SWTS-Zambia, 2012.

Child labour

Child labour remains an issue in Zambia; the SWTS results show 30.6 per cent of adolescents aged 15–17 are working, although it is important to bear in mind that young people in this age band are legally allowed to work unless engaged in hazardous work (the categories of which we are unfortunately unable to define in the SWTS). A recent ILO report found that more than one out of every three children aged 7–14 were at work in economic activity, primarily in the agricultural sector, in 2008 (UCW, 2012).

3.4 Aspirations and life goals

In terms of the most important goal in life, over one-third of young people in Zambia selected the goal of “being successful in work” (38.5 per cent), while over one-quarter (26.3 per cent) wanted to have a good family life (figure 3.5). Another quarter (25.3 per cent) saw making a contribution to society as the most important goal. Only a small proportion indicated having lots of money as important. These findings suggest that the youth in Zambia have a positive view of their future. Despite the current employment challenges, the aim of many is to succeed in their work, raise a good family and make a positive contribution to society.

Figure 3.5 Youth by most important goal in life by area of residence (%)

Source: SWTS-Zambia, 2012.

3.5 Current students

Slightly less than half of the Zambian youth population is currently in school (41.6 per cent). A majority of the in-school youth aspired to pursue further education, training or an apprenticeship as opposed to looking for a job (table 3.11). This appears to be a reflection of many Zambian youths' belief that obtaining further education is critical to improving their employment and livelihood opportunities. Only one-third (34.1 per cent) of the youth stated that they would look for a job, with a tiny proportion (3.0 per cent) indicating that they would start their own business.

Table 3.11 Current students by expected plans after graduation by area of residence (%)

Plan after graduation	Rural	Urban	Total
Look for a job	33.0	35.8	34.1
Start own business	3.5	2.3	3.0
Stay at home	0.7	0.7	0.7
Immediately go for further education/training/apprenticeship	62.5	60.6	61.7
Get married	0.2	0.0	0.1
Get back to my job	0.0	0.4	0.2
Not yet decided	0.1	0.2	0.2
Total	**100.0**	**100.0**	**100.0**

Source: SWTS-Zambia, 2012.

A majority of youth still in school expected to complete higher education (50.4 per cent university, 31.2 per cent post-secondary vocational, 13.7 per cent post-graduate studies) (table 3.12). The importance placed by Zambian youth still in school on higher education is a positive sign given the expectations of employers as indicated by the employers' survey (see section 5.3). Just under one-third of the youth indicated that they expected to acquire a post-secondary vocational education (31.2 per cent).

Table 3.12 Current students by highest level of education expected to complete (%)

Level of education	%
Elementary education	0.4
Vocational education (secondary)	0.6
Secondary education	3.8
Vocational education (post-secondary)	31.2
University	50.4
Post-graduate studies	13.7
Total	**100.0**

Source: SWTS-Zambia, 2012.

The preferred fields of study among in-school youth were education (25.9 per cent), social sciences, business and law (15.7 per cent), and health and welfare (24.4 per cent) (table 3.13). This is followed by the more technical field of engineering, manufacturing and construction (10.4 per cent) and science, mathematics and computing (8.5 per cent). The least popular fields were humanities and arts, and agriculture and veterinarian sciences. Young female students have a much higher specialization in the area of health and welfare than young men, whereas young male students are better represented among the technical fields of engineering and science. The youth studying in rural areas have a much stronger preference for focusing on the field of education than youth in urban areas.

Table 3.13 Current students by preferred field of study by sex and area of residence (%)

Field of study	Total	Male	Female	Rural	Urban
Education	25.9	22.1	30.4	31.6	17.2
Humanities & arts	6.8	6.0	7.7	5.4	8.9
Social sciences, business & law	15.7	15.1	16.3	13.7	18.8
Science, mathematics & computing	8.5	10.7	5.9	6.7	11.3
Engineering, manufacturing & construction	10.4	18.6	1.0	9.8	11.4
Agriculture & veterinarian sciences	2.3	2.6	1.9	2.5	1.9
Health & welfare	24.4	17.1	32.8	23.5	25.8
Services	4.8	6.5	3.0	5.8	3.3
Other	1.2	1.4	1.0	1.2	1.3

Source: SWTS-Zambia, 2012.

As for what type of future work young students aspire to, the overwhelming majority of the youth stated that they would want to become professionals (78.8 per cent), a higher-skilled occupation, which therefore corresponds well to their expectation to achieve high levels of education (table 3.14). Only a small proportion would want to work in other occupations, such as technicians, clerical support staff, service and sales workers, and agriculturalists.

Is there adequate demand in the labour market to absorb the supply of aspiring graduates according to their fields of study and projected occupation? An assessment can be made by examining the list of top ten growing occupations as captured in the LDES.[13] The growing occupations are listed in table 3.15.

Table 3.14 Current students by preferred future occupation by sex (%)

Occupation (ISCO-08)	Total	Male	Female
Managers	3.8	4.6	3.0
Professionals	78.8	85.0	73.4
Technicians & associate professionals	6.1	4.7	7.3
Clerical support workers	0.5	0.2	0.7
Service & sales workers	1.5	1.7	1.3
Skilled agricultural, forestry & fishery workers	1.0	0.3	1.6
Craft & related trades workers	1.2	0.0	2.2
Plant & machine operators, & assemblers	1.2	0.3	2.0
Elementary occupations	0.9	0.7	1.1
Armed forces	5.0	2.3	7.4

Source: SWTS-Zambia, 2012.

Table 3.15 Top ten growing occupations in Zambia

Position	Occupation title (ISCO)
1	General & keyboard clerks
2	Business & administration professionals
3	Domestic cleaners & helpers
4	Sales workers
5	Drivers & mobile plant operators
6	Science & engineering professionals
7	Administrative & commercial managers
8	Personal service workers
9	Food preparation assistants
10	Metal, machinery & related trades workers

Source: LDES-Zambia, 2012.

Results confirm that students in the fields of science and engineering and those in business studies and computing could have a good chance of finding work in the near future. Unfortunately, a large share of occupational demand reflected in table 3.15 is for workers in elementary occupations – domestic cleaners and helpers, drivers and food preparation assistants. On the positive side, these occupations do not require a long investment in education and therefore offer opportunities to the young men and women with low levels of education. On the negative side, however, these occupations bring little in terms of monetary returns and are known to potentially expose workers to violence and exploitation (ILO, 2013b). It does not appear there will be sufficient demand to place all of the emerging young people seeking work as professionals, which would mean the well-educated youth might be forced to take up work for which they are overqualified. The topic of skills mismatch is addressed in more detail in section 3.6.

[13] Enterprises were asked to identify the occupations that they are likely to recruit over the next 2−3 years.

In terms of preferred type of future employer (enterprise), the overwhelming majority of the youth (81.5 per cent), especially those in rural areas (85.4 per cent), indicated that they would like to work in the government/public sector (table 3.16). Only a small proportion indicated that they would want to work for other employers, including the private sector. Similarly, only a tiny proportion of the youth wanted to work for themselves. One of the key benefits of public-sector employment is the perceived security it provides. Increasingly, in the private sector, many young people are employed on temporary contracts. The positive view of public-sector employment is also associated with being entitled to social security benefits. Unfortunately, the public sector is unlikely to see any significant expansion of employment in coming years. The high expectation among youth for public-sector work is understandable, given the desire for stable employment, especially among those who have invested longer term in their education, but is not realistic given the limited absorption capacity of the government.

Table 3.16 Current students by preferred type of future employment by area of residence (%)

Future employment	Rural	Urban	Total
Myself (own business/farm)	6.2	8.7	7.2
Work for the government/public sector	85.4	75.5	81.5
Work for a private company	7.0	10.1	8.2
Work for an international or non-profit organization	0.9	5.0	2.5
Work for family business/farm	0.5	0.7	0.6
Do not wish to work	0.1	0.0	0.1

Source: SWTS-Zambia, 2012.

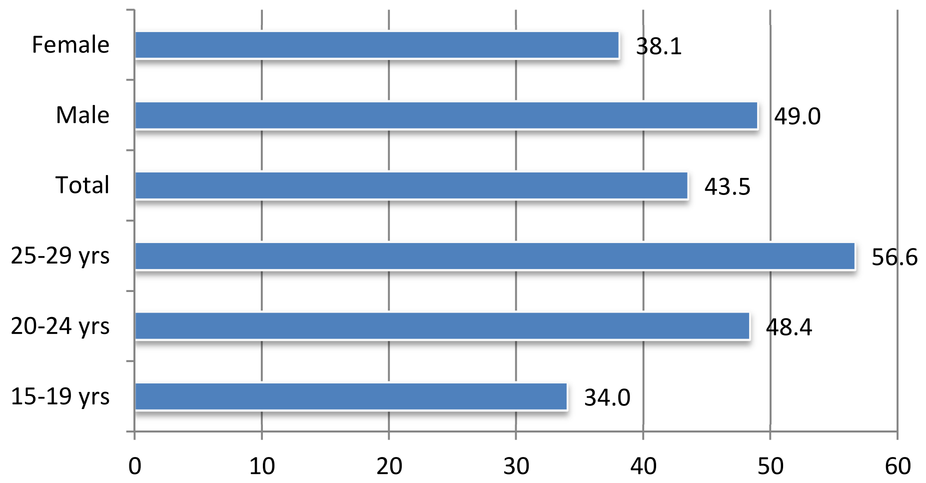
3.6 Characteristics of employed youth

3.6.1 General characteristics of the employed

The proportion of young males that are employed is significantly higher than the proportion of young females (49.0 and 38.1 per cent, respectively) (figure 3.6). A variety of factors accounts for the gender gap, including access to education and socio-cultural barriers to female employment. Also, there is a higher share of working youth in the older age group (25–29 year-olds) than younger age categories. This is understandable given that older youth are more likely to have completed school and to have gained more work experience that helps them in attaining work.

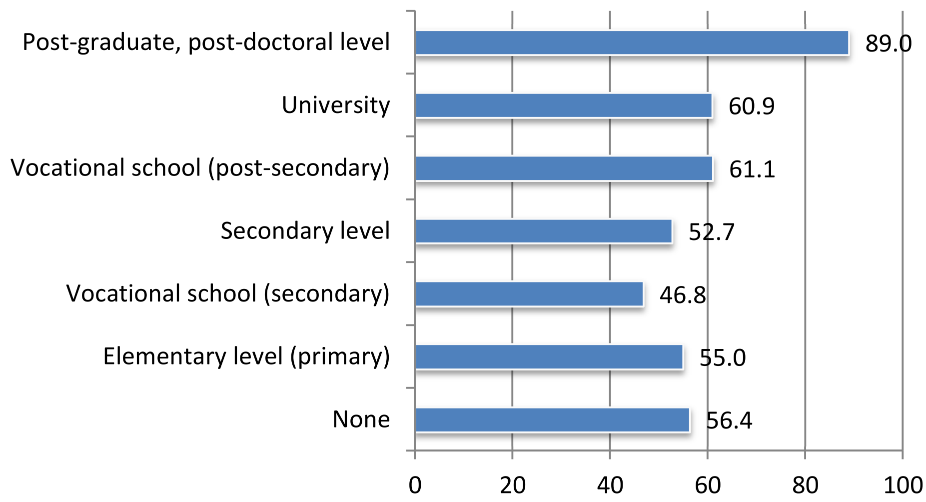
The survey data show that the level of employment increases with the level of education among the employed youth. As shown in figure 3.7, young people with higher levels of education, especially those with post-graduate qualifications, are more likely to be employed than those with a lower level of education.

Figure 3.6 Youth employment-to-population ratio by sex and age group (%)



Source: SWTS-Zambia, 2012.

Figure 3.7 Youth employment-to-population ratio by level of completed education (%)



Note: Excluding current students
Source: SWTS-Zambia, 2012.

The job search and obstacles

As in the case of the unemployed youth (discussed in section 3.7), the employed youth used a variety of methods to find work, but the most used methods were joining the family establishment (35.0 per cent) and asking friends, relatives and acquaintances (31.3 per cent) (table 3.17). Rural employed youth were more likely to join the family establishment than urban youth, while the latter were more likely to gain employment from their network of family and friends. In both cases, there is hardly any use of employment services. The higher share of youth in rural than urban areas who looked for land or equipment to start their own business or farm reflects the higher tendency towards self-employment in rural areas, which is confirmed in the following sub-section.

Also as in the case of the unemployed youth, the survey data suggest that the employed youth faced a variety of obstacles to finding work. The major obstacles cited by employed youth was not meeting the level of qualifications expected for the job (29.0 per cent) and, more generally, an insufficient number of available jobs (19.3 per cent) (table

3.18). Significant also was the issue of lack of work experience cited by 12.0 per cent of working youth. Unlike the unemployed youth, a significant proportion of the employed youth, especially young women, saw no obstacle to finding work.

Table 3.17 Method used by employed youth to find their job by area of residence (%)

Method to find work	Rural	Urban	Total
Registered at an employment centre	2.0	4.3	2.9
Placed/answered job advertisement(s)	2.8	5.1	3.7
Inquired directly at factories, farms, markets, shops	5.9	6.5	6.1
Took a test or interview	4.1	3.4	3.9
Asked friends, relatives, acquaintances	28.9	35.0	31.3
Waited on the street to be recruited for casual work	0.4	1.8	1.0
Sought financial assistance to look for work or start a business	6.4	4.7	5.7
Looked for land, building, equipment, machinery to start own business or farm	7.2	3.3	5.7
Applied for permit or license to start a business	0.9	0.8	0.9
Joined the family establishment	38.2	30.1	35.0
Other	3.3	5.0	3.9

Source: SWTS-Zambia, 2012.

Table 3.18 Employed youth by opinion of main obstacle to finding work by sex (%)

Obstacle to finding work	Total	Male	Female
Saw no obstacle	23.5	21.6	26.0
Requirements for job were higher than education/training received	29.0	29.4	28.6
Not enough work experience	12.0	13.4	10.3
Not enough jobs available	19.3	19.0	19.6
Considered too young	2.3	2.2	2.5
Being male/female	0.3	0.2	0.5
Discriminatory prejudices (for example, disability, religion)	2.8	3.6	1.9
Low wages in available jobs	1.5	1.8	1.2
Poor working conditions in available jobs	1.1	1.1	1.1
Did not know how or where to seek work	3.6	2.3	5.3
Too much nepotism	0.5	0.6	0.4
Am still in school	2.5	3.1	1.7
Too much corruption	0.9	1.2	0.5
Missing	0.6	0.6	0.6

Source: SWTS-Zambia, 2012.

In contrast to the unemployed youth, just 12.4 per cent of the currently employed youth had been looking for work for a period of 2 years or more prior to obtaining the current job. More than one-third (35.0 per cent) had looked for less than a week.

3.6.2 Status in employment

The categorization of status in employment is important because the different groups of workers face different economic risks. Wage and salaried workers, or employees, are attached to an institution and generally receive a regular wage. They face relatively low economic risks compared to the self-employed and unpaid family workers. In general a country with a high proportion of wage and salaried workers is likely to have a strong formal economy with effective labour market institutions. The self-employed, whether own-account workers or employers, face relatively higher economic risks since their remuneration is dependent on the number of units sold or services rendered. Their incomes are subject to fluctuations and they do not have access to the entitlements made available to some wage and salaried workers. In most developing economies, most self-employed workers operate in the informal sector.

Table 3.19 shows that slightly more than half (57.6 per cent) of young Zambians are self-employed – 24.7 per cent as own-account workers, 6.1 per cent as employers and 26.8 per cent as contributing family workers. In terms of sex, more young females are in own-account work than young males (27.3 per cent and 22.6 per cent, respectively). At 39.0 per cent, wage employment is the most common single status of employment among young Zambians. More young men (42.2 per cent) are in wage and salaried employment than young women (35.2 per cent).

Table 3.19 Youth employment by employment status and sex (%)

Employment status	Total	Male	Female
Wage & salaried workers (employees)	39.0	42.2	35.2
Self-employed with employees (employers)	6.1	7.8	3.9
Self-employed without employees (own-account worker)	24.7	22.6	27.3
Contributing family workers	26.8	24.3	29.8
Not classifiable by status	3.4	3.0	3.8
Total	**100.0**	**100.0**	**100.0**

Source: SWTS-Zambia, 2012.

Wage and salaried workers (employees)

The characteristics of the youth in wage or salaried employment are as follows: the majority is male (60.0 per cent). Only one-quarter (24.9 per cent) of the sampled youth in wage or salaried employment have a written contract. Those with oral contracts make up 75.1 per cent. Turning to the duration of employment contracts, among those who have a contract of limited length, a majority (71.5 per cent) specify a duration of 12 months or less.

Table 3.20 provides as summary of entitlements and privileges provided by employers to their young employees. These benefits ensure decent work conditions at work and also offer workers some security in times of need. The results point to a fairly low provision of benefits. The most common benefit provided to young wage and salaried workers is a meal allowance (41.4 per cent), followed by 23.7 per cent who receive a transport allowance, 21.4 per cent who receive a bonus, and 19.2 per cent who get paid sick leave. Only 11.4 per cent of young employees are covered with medical insurance by their employer and 12.5 per cent pay into social security, while just 9.5 per cent pay into a pension fund. Only 13.2 per cent of young workers get paternity/maternity leave. These low benefit levels mean that young worker are vulnerable. For instance, if they lose their job, very few young workers will have the protection offered by severance pay or social security.

Table 3.20 Benefits and entitlements of young wage and salaried workers

Benefit	%
Transport allowance	23.7
Meal allowance	41.4
Annual paid leave	13.1
Paid sick leave	19.2
Pension	9.5
Severance payment	9.0
Overtime payments	16.0
Medical insurance	11.4
Bonus	21.4
Social security	12.5
Educational & training courses	14.0
Occupation safety	16.9
Child facilities	7.1
Maternity/paternity leave	13.2

Source: SWTS-Zambia, 2012.

Table 3.21 shows the average wages of young Zambians by sex and education level. Generally, young men earn much more than young women. The average wage of a young wage or salaried worker is 953,078 Zambian kwacha (ZMW) (ZMW 664,219 for young women and ZMW 1,154,529 for young men). Another important finding is the wage premium that comes with increased education.[14] For example, the average wage of a young employee with a university education is eight times greater than that of a young employee with primary education.

Self-employed youth

A lack of formal jobs and a large informal economy (confirmed in section 3.6.5), means self-employment is the only option for many young Zambians. Slightly more than one-half (57.6 per cent) of young Zambians are self-employed – 24.7 per cent as own-account workers, 6.1 per cent as employers and 26.8 per cent as contributing family workers.

The largest share of young employers and own-account workers took up self-employment because they could not find paid employment (53.2 per cent), implying the view that self-employment is considered a second-best option by many youth (more so in rural than urban areas) (figure 3.8). Still, some of the young self-employed chose the status for its greater independence (22.0 per cent) and flexible hours (13.3 per cent).

[14] The UN operational exchange rate on 1 December 2012 (the time of the survey field work) was US$ 5,329 Zambian kwacha. The average wage of a young employee in Zambia was therefore the equivalent of US$ 178.85 per month. The university graduate working in paid employment earned the equivalent of US$ 576.52 per month. The Zambian kwacha has since been revalued so that 1,000 old ZMW are equal to 1 new ZMW.

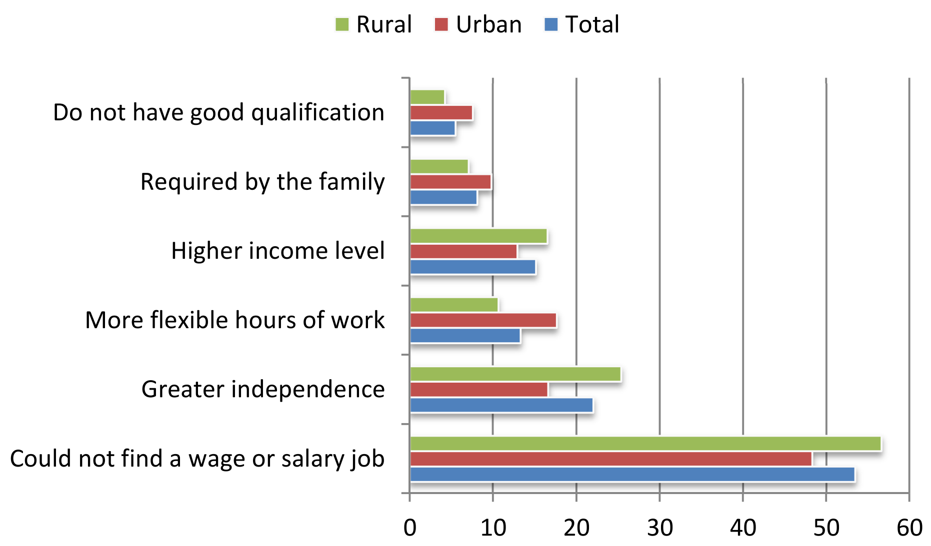
Table 3.21 Average monthly wages of young workers (wage and salaried workers and self-employed workers) by sex and level of completed education

		Wage and salaried workers		Own-account workers and employers		All	
		Mean monthly wage in Zambia kwacha	S.D.	Mean monthly wage in Zambia kwacha	S.D.	All	S.D.
Total		953 078	2 307	613 675	4 541	806 447	2 367
Sex	Female	664 219	1 944	283 523	1 527	492 907	1 315
	Male	1 154 529	3 619	875 129	7 992	1 037 522	3 959
Level of education (Total)	Primary	387 243	1 697	236 055	1 053	293 736	938
	Secondary	627 771	1 279	848 438	10 106	717 366	4 178
	University	3 072 288	16 099	2 028 107	44 872	2 842 328	16 423

S.D. = Standard deviation

Source: SWTS-Zambia, 2012

Figure 3.8 Reasons for being self-employed (%)



Note: Multiple responses were allowed.

Source: SWTS-Zambia, 2012.

On the source of funding in starting their own business, 20.2 per cent of young employers and own-account workers claimed that no financing was needed (table 3.22). An example here would be the young person selling mangos or bananas on the street that they have picked from their back garden. Just over thirty-two per cent (32.1 per cent) borrowed money from family and friends, and 30.9 per cent used their own savings as capital. Use of formal modes of financing – loans, for example – was almost completely lacking. Yet 47.1 per cent of the young self-employed claimed insufficient financial resources as their main constraint in doing business (table 3.23). The second most frequent constraint identified was competition in the market (24.5 per cent), followed by 7.1 per cent who mentioned shortages in raw materials as their main challenge.

Table 3.22 Self-employed youth by sources of start-up financing and area of residence (%)

Source of funding	Rural	Urban	Total
No money needed	19.1	21.8	20.2
Own savings	31.6	30.0	30.9
Money from family or friends	36.0	26.4	32.1
Loan from microfinance institutions (including cooperative)	0.4	1.0	0.7
Loan from bank	0.0	0.9	0.4
Loan from an informal financial operator (money lender, savings)	0.3	0.0	0.2
Remittances from abroad	2.3	0.0	1.3
Other	8.3	9.2	8.7
Missing	2.1	10.7	5.6

Source: SWTS-Zambia, 2012.

Table 3.23 Self-employed youth by main challenge to doing business and sex (%)

Challenge	Total	Male	Female
Insufficient financial resources	47.1	49.7	44.0
Insufficient quality of staff	2.2	1.2	3.4
Insufficient business expertise	1.2	1.2	1.1
Legal regulations	2.4	3.5	1.2
Shortages in raw materials (breakdowns in the supply chain)	7.1	6.1	8.4
Labour shortage	2.3	3.0	1.4
Political uncertainties	0.1	0.2	0.0
Access to technology	0.3	0.0	0.7
Product development	1.0	1.3	0.7
Competition in the market	24.5	26.1	22.6
I face no problems	5.9	1.7	11.0
Power outages	0.4	0.6	0.0
Other	5.6	5.4	5.7

Source: SWTS-Zambia, 2012.

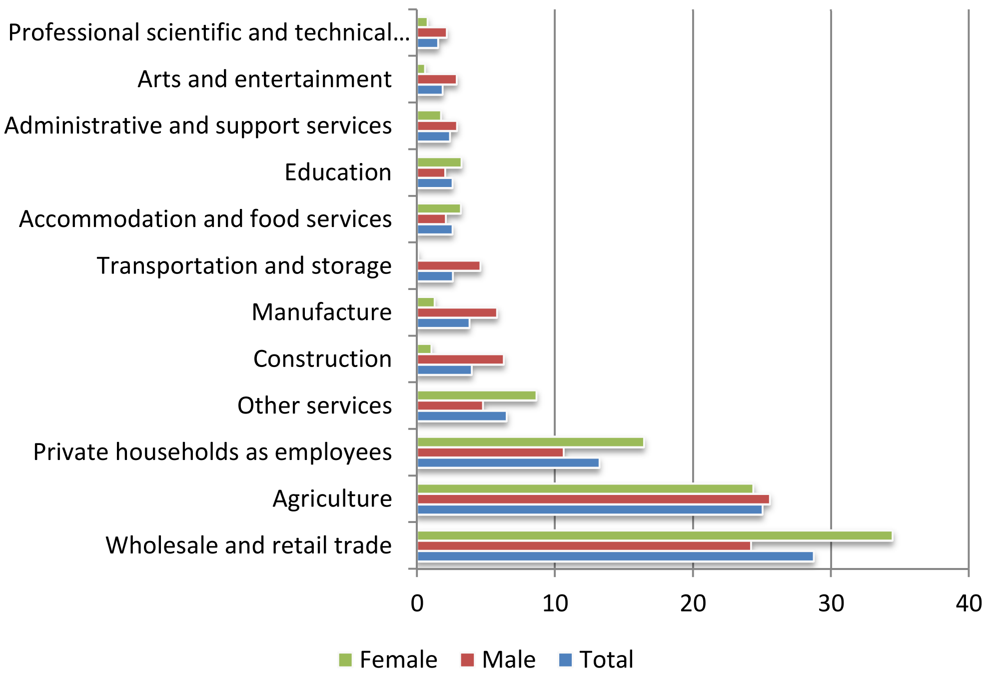
Interestingly, young Zambians who are employers or own-account workers earn much less on average than their counterparts in wage or salaried employment. The survey results show that the average earnings per month for the self-employed[15] were ZMW 613,675, while it was ZMW 953,078 for those in wage or salaried employment (table 3.21). Like the wage and salaried workers, earnings increase for the self-employed with level of schooling. For example, the average earning for a young self-employed worker with a secondary education was ZMW 1,263,100 while it was ZMW 322,894 for a young self-employed worker with primary education.

[15] Earnings for the self-employed refer to sales revenue.

3.6.3 Sector and occupations of the employed

In terms of the sector distribution of young workers in Zambia, overall the survey results indicate that 64.5 per cent work in the services sector, 25.9 per cent in the agricultural sector (including fishing) and 9.6 per cent work in the industrial sector. Figure 3.9 shows the sectoral distribution of youth employment by sex. Young females are more likely than young males to work in the wholesale and retail trade, education and accommodation, and to be engaged in domestic work in a private household. Young men, in contrast, are more numerous in the manufacturing sector as well as in agriculture, construction and transportation. It is interesting to note that in a country where the mining sector is so important to overall GDP, the sector absorbs less than 1 per cent of youth employment (not shown on the chart).

Figure 3.9 Youth employment by 1-digit sector and by sex (%)



Note: Only sectors amounting to more than 1.5 per cent of the total area are shown.
Source: SWTS-Zambia, 2012.

Table 3.24 shows youths' occupations grouped by the International Standard Classification of Occupations (ISCO). The largest share of young employed is engaged in an elementary occupation[16] (35.7 per cent), followed by 32.2 per cent in shop and sales work, 11.4 per cent in agriculture and 6.4 per cent in crafts-related work. Notably, the share of young professionals comes to only 4.8 per cent and the share of young managers to 1.3 per cent of all working youth, with more young men than women taking up these higher skilled occupations. Young women have a higher incidence of working in elementary occupations and in sales than young men.

[16] The International Standard Classification of Occupations (ISCO-88) describes elementary occupations as those "which require the knowledge and experience necessary to perform mostly simple and routine tasks, involving the use of hand-held tools and in some cases considerable physical effort, and, with few exceptions, only limited personal initiative or judgment. The main tasks consist of selling goods in streets, door-keeping and property watching, as well as cleaning, washing, pressing, and working as labourers in the fields of mining, agriculture and fishing, construction and manufacturing".

Table 3.24 Employed youth by occupation and sex (%)

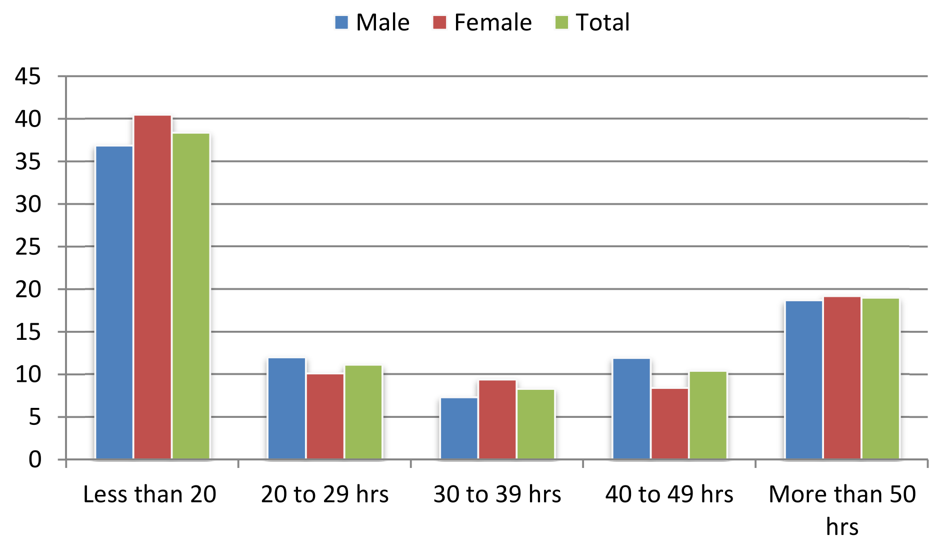
Occupation (ISCO-08)	Total	Male	Female
Legislators, senior officials & managers	1.3	1.8	0.6
Professionals	4.8	5.4	4.0
Technicians & associate professionals	2.2	3.8	0.3
Clerks	3.3	3.5	3.1
Service workers, shop & market sales workers	32.2	27.5	38.0
Skilled agricultural & fishery workers	11.4	13.1	9.4
Craft & related trade workers	6.4	9.8	2.1
Plant & machine operators & assemblers	2.4	3.3	1.2
Elementary occupations	35.7	31.6	40.9
Armed forces	0.5	0.4	0.6

Source: SWTS-Zambia, 2012.

3.6.4 Hours of work

Figure 3.10 shows the number of hours worked per week by young Zambians Of particular importance are the short working hours of many youth; more than one-third (38.4 per cent) of youth worked less than 20 hours during the reference week and 49.5 per cent worked part time, or less than 30 hours per week. The short working hours reflect the lack of regular jobs and the precariousness of the occasional young worker in the country. Short working hours can be positive when voluntary, offering young students an opportunity to earn while in school or young parents the possibility to combine work with household care, but what is more likely is that the short hours are all that are available to many young workers. In fact, 18.4 per cent of young people employed part time (17.1 per cent of young female workers and 19.5 per cent of young male workers) stated that they would like to work more hours.

Figure 3.10 Employed youth by actual hours worked per week (%)



Source: SWTS-Zambia, 2012.

3.6.5 Other job quality indicators

The SWTS data enables the measurement of the quality of jobs to which young people have access. Figure 3.11 summarizes the indicators of quality. Its shows five quality indicators namely:

- the share of own-account workers and paid employees with below-average weekly wages or income)[17] (poorly paid);
- the share of overeducated or undereducated workers[18] (qualifications mismatch);
- the share of workers with contract duration of less than 12 months, own-account workers and contributing family workers[19] (irregular employment);
- the share of workers in informal employment[20] (informal employment); and
- the share of workers that claim dissatisfaction with their current job (non-satisfactory employment).

The blue bars in the figure represent the shares of better quality employment based on above-average wages, qualifications, stability, formality (security) and satisfaction. Unfortunately, more red appears in the chart, representing “low-quality” work, which indicates numerous issues of concern regarding the quality of available work for youth in the country. While low pay is not a significant concern, more youth earn below-average wages than average or above-average wages (53.7 and 46.3 per cent, respectively). More worrisome is the two-thirds share (67.3 per cent) of young workers in irregular work (self-employment plus employees with temporary contracts). The temporary nature of the contract and sporadic nature of self-employment are likely to affect the sense of security and well-being of the youth.

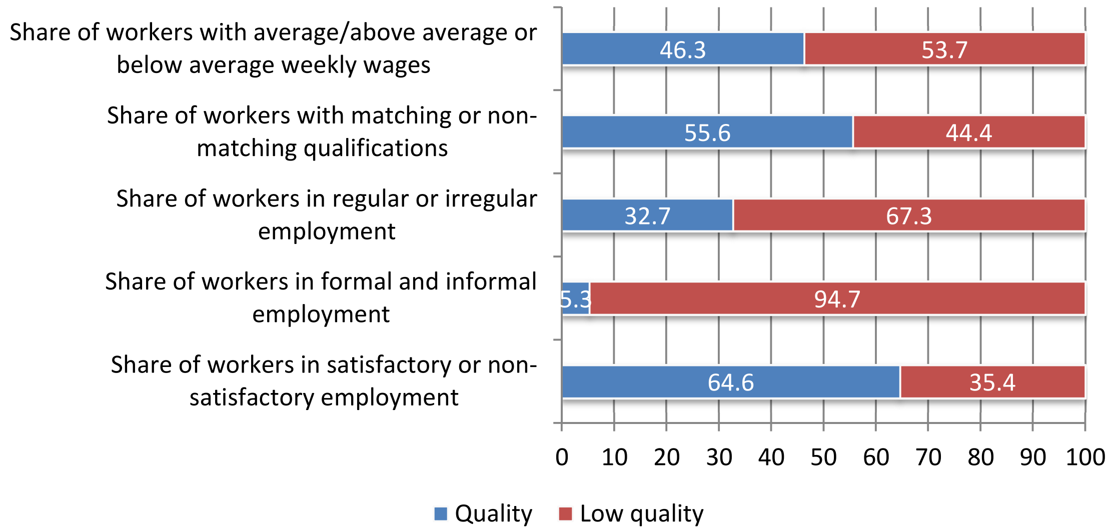
[17] Monthly wages of employees and daily, monthly or other time-specific earnings of own-account workers were converted into weekly rates for comparability. Contributing (unpaid) family workers are excluded from the calculation.

[18] The methodology applied is that of the normative ISCO-based approach described later in this section. Table 3.25 provides the norms across ISCO and International Standard Classification of Education (ISCED) educational codes.

[19] Persons not classifiable by status in employment are also included in the category of irregular employment.

[20] Informal employment is measured according to the guidelines recommended by the 17th International Conference of Labour Statisticians. It includes the following sub-categories of workers: (a) paid employees in “informal jobs”, i.e. jobs without a social security entitlement, paid annual leave or paid sick leave; (b) paid employees in an unregistered enterprise with size classification below five employees; (c) own-account workers in an unregistered enterprise with size classification below five employees; (d) employers in an unregistered enterprise with size classification below five employees; and (e) contributing family workers.

Figure 3.11 Indicators measuring quality of youth employment (%)



Source: SWTS-Zambia, 2012.

Informal employment is also a significant concern. Almost all young workers in Zambia are engaged in informal employment (94.7 per cent). Informal employment is made up of two sub-categories: workers in the informal (unregistered) sector and paid employees holding informal jobs in the formal sector. The latter category do earn a salary but do not receive the other benefits, such as social security contributions or paid annual or sick leave, that would normally be associated with a formal job. Many more Zambian youth in informal employment fall within the category of informal sector employment (83.1 per cent) than in the category of informal job in the formal sector (16.9 per cent). Young women in Zambia have a higher chance of working informally than young men (95.6 and 94.0 per cent, respectively).

Another job quality measure is the skills mismatch. Objectively, the skills mismatch between the job that a person does and their level of educational qualification is measured by applying the normative measure of occupational skills categories from the ISCO (ILO, 2013a, p. 44). ISCO-08 includes the categorization of major occupational groups (first-digit ISCO levels) by level of education in accordance with the International Standard Classification of Education (ISCED). Table 3.25 summarizes the ISCO-based educational classification.

Table 3.25 ISCO major groups and education levels

ISCO major group	Broad occupation group	Education level
Managers	High-skilled non-manual	Tertiary (ISCED 5-6)
Professionals		
Technicians & associate professionals		
Clerical support workers	Low-skilled non-manual	Secondary (ISCED 3-4)
Service & sales workers		
Skilled agricultural & fishery workers	Skilled manual	
Craft & related trades workers		
Plant & machine operators & assemblers		
Elementary occupations	Unskilled	Primary (ISCED 1-2)

Source: ILO, 2013a, table 3.

Workers in a particular group who have the assigned level of education are considered well-matched. Those who have a higher (lower) level of education are considered over- (under-) educated. For example, a university graduate working as a clerk (a low-skilled non-manual occupation) is overeducated, while someone whose highest education level is secondary school but who is working as an engineer (a high-skilled non-manual occupation) is undereducated.

The result here is that more young workers are in an occupation that matches their level of education (55.6 per cent) than occupations for which they are overqualified or underqualified. Table 3.26 provides the breakdown: 25.8 per cent of young workers are overeducated and 18.7 per cent are undereducated. The results are, in part, a reflection of the levels of education attained by youth in Zambia. With a substantial share of employed youth holding at least a secondary-level qualification in the country, it is not overly surprising to find more youth classified as overeducated than undereducated. The phenomenon of overeducation tends to take place when an insufficient number of jobs match a certain level of education, which forces some of the degree holders to take up available work that they are subsequently overqualified for. One consequence is the overeducated youth is likely to earn less than s/he otherwise could have and is not making the most of his/her productive potential. Another consequence is the crowding out of youth at the bottom of the educational pyramid. The less-educated youth find themselves at the back of the queue even for those jobs for which they are best qualified.

Table 3.26 supports the premise that some highly educated young people in the country must "settle" for jobs that they are overqualified for, with a particularly high representation of overeducated youth engaged as elementary labourers (69.1 per cent). On the other hand, young people also hold positions that do not match perfectly their education degree. Managers (major group 1) and agricultural workers (major group 6) have the highest chance of being undereducated in the country at 58.2 and 45.2 per cent, respectively. But another 43.2 per cent of youth working as technicians or associate professionals are undereducated as are one in four youth working as professionals or in crafts work.

Table 3.26 Shares of overeducated and undereducated young workers by major occupational category (ISCO-08, %)

Major occupational category (ISCO-08)	Overeducated	Undereducated
1: Legislators, senior officials, managers	0.0	58.2
2: Professionals	0.0	27.9
3: Technicians & associate professionals	0.0	43.2
4: Clerks	10.9	8.9
5: Service workers, shop, market sales workers	7.5	21.9
6: Skilled agricultural & fishery workers	1.5	45.2
7: Craft & related trades workers	16.5	26.0
8: Plant & machine operators & assemblers	14.4	8.3
9: Elementary occupations	69.1	0.6
10: Armed forces	37.4	1.4
Total	**25.8**	**18.7**

Source: SWTS-Zambia, 2012.

3.6.6 Security and satisfaction

A majority of employed youth (64.6 per cent) expressed satisfaction with their work. The seeming contradiction of a young person working in a job that might bring little in terms of monetary reward and stability claiming job satisfaction is a likely reflection of the ability of youth to adapt to reality in places where few "good" jobs exist. In the context of a low-demand labour market with high unemployment rates and few stable jobs, simply having a job may outweigh issues of poor job quality.

Table 3.27 Main reason for wanting to change current employment by sex (%)

Reason for change	Total	Male	Female
Present job is temporary	30.2	32.3	27.5
Fear of losing current job	1.8	1.8	1.8
To work more hours at current rate	1.5	1.1	2.0
To have a higher pay per hour	36.8	37.5	35.9
To work less hours with a reduction in pay	0.7	0.3	1.1
To use qualifications/skills better	9.3	8.7	10.1
To have more convenient working time, shorter commuting time	2.5	3.0	1.9
To improve working conditions	17.3	15.4	19.7

Source: SWTS-Zambia, 2012.

One can dig further into issues of job satisfaction through the indication of whether or not working youths would like to change their job. A very large share of young workers (77.0 per cent) said they would like to change their job. The most common reasons for wanting to change work are the temporary nature of the work (30.2 per cent), unsatisfactory pay (36.8 per cent) and the desire for better working conditions (17.3 per cent) (table 3.27). Another 9.3 per cent said they would like to change their job to make better use of their qualifications or skills, which adds further evidence to the discomfort that can come with being overeducated for one's job.

3.7 Characteristics of unemployed youth

Within the analytical framework of the SWTS, the "relaxed" definition of unemployment is preferred (ILO, 2013a, Chapter 4). Unemployment as defined according to international standards requires a person to meet three criteria for inclusion: they (a) did not work in the reference period, (b) were available to take up a job had one been offered in the week prior to the reference period, and (c) actively sought work within the past 30 days (for example, by registering at an employment centre or answering a job advertisement). The difference in the "relaxed" definition of unemployment (also known as "broad unemployment") and the "strict" definition is in the relaxation of the "seeking work" criterion. According to international standards, the seeking work criterion may be relaxed "in situations where the conventional means of seeking work are of limited relevance, where the labour market is largely unorganized or of limited scope, where labour absorption is, at the time, inadequate or where the labour force is largely self-employed".

In most developed economies, a young person must prove that they have actively sought work – by registering at an employment centre or applying for job vacancies, for example – to qualify for unemployment benefits. Very few developing economies offer unemployment benefits to their populations. Young people, therefore, have little motivation to actively seek work when they feel there is none readily available and where labour markets are highly informal. A person without work is more likely to wait for word-of-mouth informal connections that lead to occasional work than to engage in an active job search. Relaxing the active job search criterion from the unemployment definition can have a significant impact on results in low-income economies that lack social protection, and that is the case in Zambia. The relaxed unemployment rate for youth amounts to double the rate when applying the strict definition (38.0 per cent compared to 17.7 per cent). Regardless of which measure is used, the unemployment rate of youth is a major issue for the country. All subsequent figures in this section refer to relaxed unemployment.

Table 3.28 shows the comparison of the two rates by sex. Young females have a harder time finding employment in Zambia. A gap of 9 percentage points exists between the unemployment rate of young women (42.7 per cent) and that of young men (33.8 per cent).

Table 3.28 Youth unemployment rate and share of unemployed youth by unemployment duration and sex (%)

Rate & share	Total	Male	Female
Youth unemployment rate (relaxed definition)	38.0	33.8	42.7
Youth unemployment rate (strict definition)	17.7	16.4	19.2
Share of total unemployed (relaxed) by duration			
Less than 3 months	39.0	44.8	33.0
3 months to less than 6 months	10.8	11.5	10.1
6 months to less than 1 year	9.0	8.4	9.7
1 year to less than 2 years	16.9	15.8	18.2
2 years or more	24.3	19.7	29.0

Source: SWTS-Zambia, 2012.

A young person in Zambia may be unemployed for a very long period of time. The share of unemployed youth with a duration of unemployment greater than 1 year is 41.2 per cent (35.5 per cent for young men and 47.2 per cent for young women). Persistent and high youth unemployment could have adverse long-term consequences, such as a higher risk of future unemployment, a prolonged period of unstable jobs and potentially depressed income growth (ILO, 2010). At the same time, the longer the unemployment spell, the more likely prospective employers are to carry negative perceptions of the concerned young jobseeker whom they start to see as unemployable.

Of the unemployed youth who did engage in an active job search, the most popular method used was asking friends, relatives and acquaintances, which was used by more than half of the youth in the study (56.8 per cent) (table 3.29). One-third (32.6 per cent) of the youth inquired directly at factories, farms, markets, shops or other workplaces. There were no significant gender variations in these results. Less popular steps involved placing or answering job advertisement(s) and taking a test or interview. Only a tiny proportion of the youth registered at an employment centre, suggesting the absence of a robust system of public employment services. Slightly under 10 per cent of actively seeking unemployed youth took some action to get themselves set up in self-employment, either seeking financial assistance to start a business, looking for land or equipment or applying for a permit or business license.

Discouraged workers are defined as those who are not working, having expressed a desire to work but did not seek work for reasons implying that s/he felt that undertaking a job search would be a futile effort. Slightly over one-third (35.8 per cent) of the difference between the broadly-defined unemployed and the strictly defined in Zambia is made up of discouraged youth.[21] In total, the discouraged youth make up 6.2 per cent of the youth population in Zambia. Thirty-five (34.5 per cent) of discouraged youth did not seek work as they thought no jobs were available near their residence, 27.6 per cent said they did not know how and where to seek work, 15.5 per cent said they were unable to find work matching their level of skills, 13.1 per cent said they had looked for job(s) before but had not found any, and 9.3 per cent felt they were too young to work.

Table 3.29 Unemployed youth by job search method (%)

Method	Total	Male	Female
Registered at an employment centre	1.6	1.6	1.6
Placed/answered job advertisement(s)	17.5	15.6	19.3
Inquired directly at factories, farms, markets, shops or other workplaces	32.6	35.8	29.5
Took a test or interview	9.1	10.9	7.4
Asked friends, relatives, acquaintances	56.8	62.0	51.9
Waited on the street to be recruited for casual work	2.1	3.3	1.0
Sought financial assistance to look for work or start a business	5.9	7.0	4.9
Looked for land, building, equipment, machinery to start own business or farm	2.4	2.9	1.9
Applied for permit or license to start a business	1.3	2.6	0.0
No method	6.2	5.3	7.0

Source: SWTS-Zambia, 2012.

In terms of occupation type, the results indicate that the top four occupational groups sought by young unemployed are services and sales work (31.8 per cent), elementary occupations (23.0 per cent), professional work (17.0 per cent) and clerical work (6.9 per cent).

The survey data show that unemployed youth face a variety of obstacles to finding work. The major obstacles cited were that the requirements of the jobs exceeded their level of skills/training (29.6 per cent) and that there simply were not enough jobs (26.3 per cent) (table 3.30). Significant also was the issue of lack of work experience (15.2 per cent), which is confirmed in the employers' perspective of most sought after hiring requirements in section 5.3.

[21] If applying the standard (strict) framework of labour statistics, the discouraged worker would be classified among the inactive. If the active search criterion is relaxed, as with the broad definition, the discouraged are found among the unemployed. Other persons who are not working, available to work but not actively seeking work (beyond the discouraged) include persons not seeking work because of illness or disability, pregnancy, education or training leave, and personal family responsibilities, or because they are awaiting results of a vacancy competition or seasonal work.

Table 3.30 Unemployed youth by opinion of main obstacle to finding work by area of residence (%)

Obstacle to finding work	Rural	Urban	Total
Requirements for job were higher than education/training received	33.5	25.2	29.6
Not enough work experience.	14.7	15.8	15.2
Not enough jobs available	30.3	21.8	26.3
Considered too young	2.3	4.1	3.2
Being male/female	0.3	0.3	0.3
Discriminatory prejudices (for example, disability, religion)	5.3	4.3	4.8
Low wages in available jobs	1.0	2.6	1.8
Poor working conditions in available jobs	0.9	1.7	1.3
Did not know how or where to seek work	5.3	4.7	5.0
Work places are too far from home	0.0	0.1	0.1
Too much corruption in available jobs	1.0	2.3	1.7
No obstacles	0.7	2.6	1.6
Was not allowed by my spouse	0.2	0.7	0.4
No opportunities	0.4	0.0	0.2
Just laziness	1.2	1.2	1.2
Other	2.9	12.6	7.5

Source: SWTS-Zambia, 2012.

3.8 Characteristics of youth outside of the labour market (inactive youth)

Zambia has nearly 1.8 million inactive youth, of which 43.3 per cent are men and 56.7 per cent are women. The most common reason for inactivity – cited by 66.4 per cent – is attending education/training, followed by 15.1 per cent who are inactive due to family responsibilities and 4.7 per cent due to pregnancy (table 3.31). Another 4.5 per cent of inactive youth had no desire to work and 4.1 per cent felt they were too young to work. More young men than women are inactive due to school attendance (76.2 and 58.9 per cent, respectively), while young women are more likely to cite family responsibilities and a lack of desire to work as reasons for economic inactivity. Of the inactive non-students, 81.5 per cent stated they will join the labour market in the future.

Table 3.31 Reasons for inactivity by sex (%)

Reason	Total	Male	Female
Attending education/training	66.4	76.2	58.9
Family responsibilities	15.1	9.0	19.7
Pregnancy	4.7	0.0	8.2
Illness, injury or disability	1.0	0.8	1.2
Too young to work	4.1	5.6	3.0
No desire to work	4.5	3.8	5.0
Off-season	1.5	2.9	0.4
Other reason	2.8	1.8	3.6

Source: SWTS-Zambia, 2012.

4. Stages of transition

This section presents the main characteristics and experiences of youth undergoing different stages of transition: transition completed, in transition and not yet transited. It identifies the major challenges and difficulties that youth face in their search for stable jobs.

4.1 Concepts and definitions[22]

Labour market transition is defined as the passage of a young person from the end of schooling (or entry to first economic activity) to the first stable or satisfactory job. Stable employment is defined in terms of the employment contract (written or oral) and the contract duration (greater than 12 months). Introducing the issue of a contract automatically excludes the employment status of self-employed, where the employment relationship is not defined by a contract. The opposite of stable employment is temporary employment, or wage and salaried employment of limited duration. Satisfactory employment is a subjective concept, based on the self-assessment of the jobholder. It implies that the respondent considers the job to be a good "fit" with their desired employment path at that moment in time. The contrary is termed non-satisfactory employment, implying a sense of dissatisfaction with the job. Based on this definition of labour market transition, the stages of transition are classified as follows:

Transited – A young person who has "transited" is one who is currently employed in:

- a stable job, whether satisfactory or non-satisfactory; or
- a satisfactory but temporary job; or
- satisfactory self-employment.

In transition – A young person still "in transition" is one who is currently:

- unemployed (relaxed definition); or
- employed in a temporary and non-satisfactory job; or
- in non-satisfactory self-employment; or
- inactive and not in school, with an aim to look for work later.

Transition not yet started – A young person whose "transition has not yet started" is one who is currently:

- still in school and inactive (inactive student); or
- inactive and not in school (inactive non-student), with no intention of looking for work.

Two elements of this classification are noteworthy. First, the stages of transition span across the boundaries of economic activity as defined in the standard labour force framework.[23] The "transited" category includes a sub-set of youth classified as employed; the remaining employed fall within the category of "in transition", which includes those who fall under the strict definition of unemployed and portions of the inactive (namely,

[22] This section is adapted from ILO (2013a), Chapter 5.

[23] The international guidelines for measuring statistics on the economically active population, set out by the 13th International Conference of Labour Statisticians (ICLS) in 1982, provide the framework for measuring who is counted as employed and as unemployed according to the economic production boundaries set out by the System of National Accounts.

those without work, available for work but not actively seeking work[24] and inactive non-students who have stated an intention to join the labour force at a later stage). The "transition not yet started" category is the residual of the inactive population.

Second, the stages of transition are not intended to be a normative framework. Because of the inclusion of youth in satisfactory self-employment and satisfactory temporary employment, one cannot say that all young people in the transited category have transited to a "good" job. In fact, a majority of young people in self-employment – the own-account workers and unpaid family workers – are among the poorly paid workers in the informal economy and thus are included in the "low quality" segment shown in figure 3.11. By definition, they make up the bulk of the country's share of irregularly employed. Yet they have expressed a degree of satisfaction with their job, and they are likely to have finished their transition in the sense that they will remain in the self-employed classification for the remainder of their working lives.

4.2 Stages of transition by sex, education level, age group and area of residence

Overall, the survey results show that young Zambians have either completed their transition to stable and/or satisfactory self-employment (32.5 per cent) or they are in transition (44.8 per cent). The smallest share is those who are yet to start their transition (22.6 per cent) (table 4.1).

Table 4.1 Stage of transition by sex, age group, area of residence and level of completed education (%)

Characteristic	Transited	In transition	Transition not yet started	Total
Total	32.5	44.8	22.6	100.0
Sex				
Female	29.6	47.3	23.1	100.0
Male	35.6	42.3	22.1	100.0
Age group				
15—19	25.5	36.4	38.2	100.0
20—24	34.8	54.3	10.9	100.0
25—29	44.7	48.4	6.9	100.0
Area of residence				
Urban	31.6	48.7	19.7	100.0
Rural	33.2	42.1	24.7	100.0
Education (only completed education)				
None	29.7	60.4	9.9	100.0
Primary	38.3	57.6	4.1	100.0
Secondary	41 0	58.5	0.5	100.0
Vocational	38.3	58.8	2.8	100.0
University & above	63.9	36.1	0.0	100.0

Note: The stage of transition by level of completed education excludes current students whose final education level is still unknown.
Source: SWTS-Zambia, 2012.

[24] This is the portion added to the "strictly" unemployed category to make up the unemployed (relaxed definition).

The young male's better chances of completing the transition are evident. Thirty-six (35.6) per cent of the young men surveyed had completed the transition compared to 29.6 per cent of young women. In contrast, more young women than young men are either in transition (47.3 per cent and 42.3 per cent, respectively) or have not yet started transition (23.1 per cent and 22.1 per cent, respectively).

As one might expect, the age of the young person influences their current stage in labour market transition. The tendency for the young person to move into the transition increases with age. The younger age cohorts make up a much larger share of the transition-not-yet-started category because there is an overlap with typical schooling ages (15–19 and 20–24). Still, the fact that so many of the 15–19 year-olds are firmly in the labour market, either with a completed transition or still in transition, is disturbing when they should normally be in school.

The impact of geographic residence gives rural youth an edge over those in urban areas. Urban areas show lower shares of transited youth and youth in the transition-not-yet started category, and a higher share than rural areas among youth remaining in transition. Such findings are interesting because one would expect a larger portion of urban youth to not have started their transition due to higher levels of attendance in education. However, for Zambia 24.7 per cent of rural youth had not yet started their transition compared to 19.7 per cent of youth in urban areas.

The level of educational attainment proves to be the strongest predictor of where a young person lies in the stages of transition. The university graduate has a significantly higher likelihood to complete the transition (63.9 per cent) than the young person with a primary-level education (of which 38.3 per cent have completed the transition). Young people who have not yet started the transition are found among those with no education, primary-level schooling or vocational education, but it is important to bear in mind that the calculations exclude current students since their completed education level is not yet unknown. The low-educated youth in the transition-not-yet-started category, therefore, refers to inactive non-students only.

4.2.1 Youth who have not started transition

The results of the SWTS show that most of the young people (93.5 per cent) who have not started their transition are in school and only 6.5 per cent are currently inactive and not in school with no intention of looking for work. Gender seems to be a strong predictor of the status of inactive non-students with no plans to work. Although young women have only a slightly higher representation than young men among the inactive students (50.4 per cent), they make up a much larger share (70.2 per cent) of the inactive non-students with no plans to join the labour market in the future.

4.2.2 Youth in transition

A young person is classified as in transition if s/he is either unemployed (relaxed definition), engaged in self-employment or in a paid temporary job that the youth has expressed dissatisfaction with, or if s/he is an inactive non-student with an attachment to the labour market, indicated by the desire to work in the future. A majority of youth in the category are classified as in transition because they are unemployed (60.1 per cent). Twenty-five (25.3) per cent of youth in the category are in non-satisfactory self-employment or temporary employment and many fewer (14.5 per cent) are inactive non-students with plans to work (table 4.2). Young women in the in-transition category are more likely than young men to be unemployed or an inactive non-student (figure 4.1).

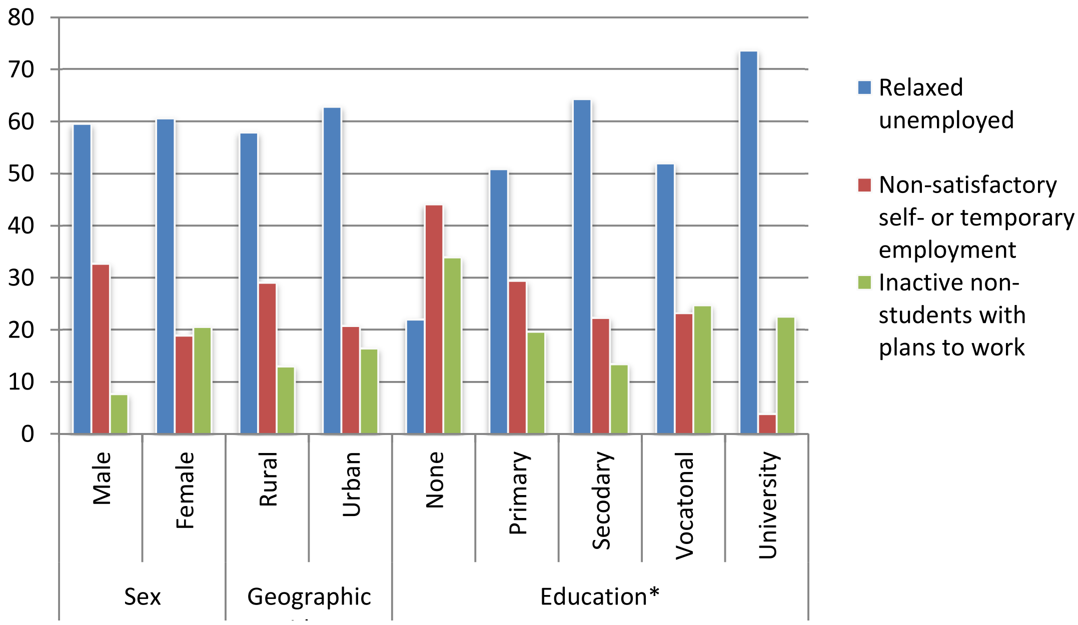
Young persons with the highest level of education are those with the least likelihood of falling within the in-transition category (table 4.1). The lowest share is seen among youth with university and higher education (36.1 per cent), which suggests that having a university degree helps to get youth out of the transition phase (confirmed in section 4.2.3). Among the youth in transition with a university degree, the largest share falls in the sub-category of relaxed unemployed (73.6 per cent) compared to only 3.9 per cent in non-satisfactory temporary or self-employment. The interpretation here is that those who have invested in their education have higher expectations around what type of job they will accept and are therefore more likely to wait for the preferred job than take up any available job.

Table 4.2 Sub-categories of youth in transition by sex (%)

Sub-category	Total	Male	Female
Relaxed unemployed	60.1	59.6	60.6
In non-satisfactory self-employment or temporary employment	25.3	32.7	18.9
Inactive non-student with aim to work	14.5	7.7	20.5
Total youth in transition	**100.0**	**100.0**	**100.0**

Source: SWTS-Zambia, 2012.

Figure 4.1 Youth in transition by sub-category, sex, area of residence and educational attainment level (%)



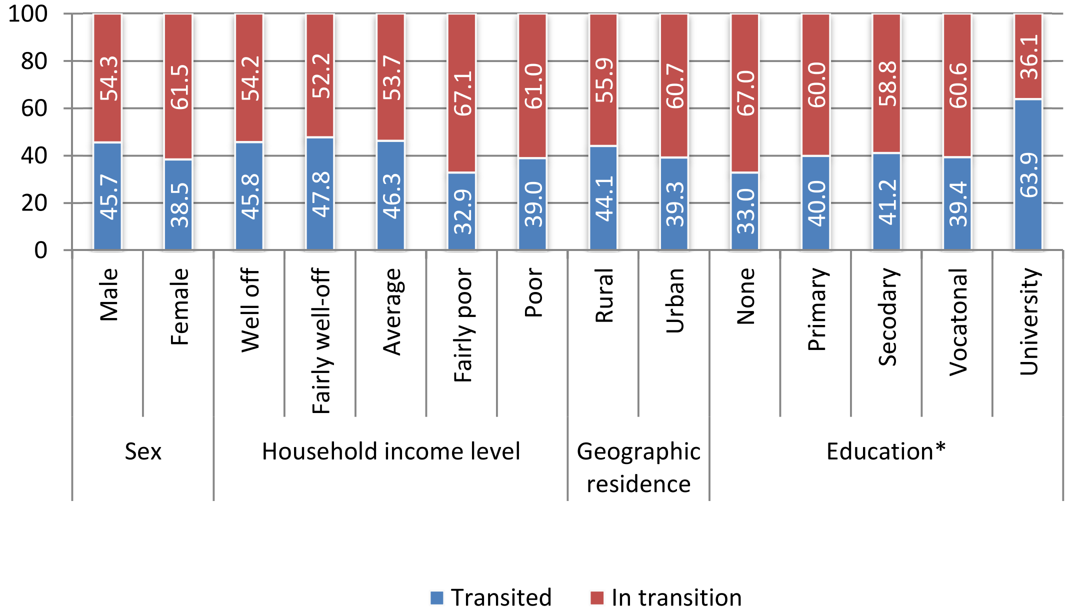
Note: *The stage of transition by level of completed education excludes current students whose final education level is still unknown.

Source: SWTS-Zambia, 2012.

4.2.3 Characteristics of a completed transition

Figure 4.2 compares the stages of completed transition and in-transition youth according to a breakdown by sex, household income, geographic location and educational attainment to identify the variables' impact on the outcome of the transition. Focusing on only the youth either in transition or with completed transition, the following conclusions can be drawn: first, young men have an advantage in completing the transition over young women (45.7 per cent of young men have completed the transition compared to 38.5 per cent of young women). Second, youth living in rural area have a higher chance to complete the transition (44.1 per cent of rural youth have completed the transition compared to 39.3 per cent of youth in urban areas). Lastly, average or above household income indicates greater success in the transition. Forty-eight (47.8) per cent of youth in fairly well-off income households had completed the transition while 52.2 per cent remained in transition, compared to a distribution of 32.9 per cent transited and 67.1 per cent in transition among youth from fairly poor income households.

Figure 4.2 Transition groups (transited and in-transition youth) by sex, household income level, area of residence and educational attainment level (%)



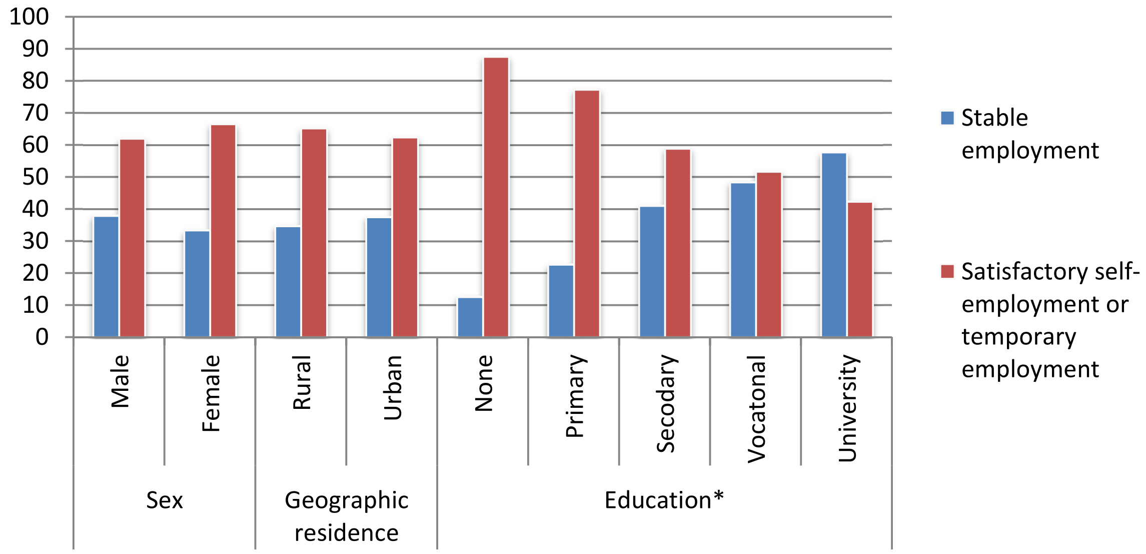
Note: *The stage of transition by level of completed education excludes current students whose final education level is still unknown. The categorization of household income level is based on the perception of the young respondents.

Source: SWTS-Zambia, 2012.

One of the strongest conclusions is that education matters to the transition: 63.9 per cent of youth who completed university studies had completed the transition while the remaining 36.1 per cent were in transition. At the lower levels of education, in contrast, there is a greater tendency to remain in transition. Forty (40.0) per cent of youth with only primary education had completed their transition compared to 60.0 per cent who were in transition.

Transited youth who have attained stable employment remain the minority among the transited youth (23.0 per cent in a stable and satisfactory job and 12.9 per cent in a stable and non-satisfactory job for a total of 35.9 per cent). The largest share within the transited category is young people who are in satisfactory self-employment (54.5 per cent). The residual 9.7 per cent are those who are in satisfactory temporary employment. Certainly there are job quality implications for the youth in the various sub-categories of completed transition. Many young persons may have stopped shifting between labour market categories but few of those in self-employment are likely to have attained quality employment. Figure 4.3 shows which characteristics are more likely to result in a transition to the most advantageous category of stable employment compared to the second-best category of satisfactory self-employment or temporary employment.

Figure 4.3 Transited youth by sub-category and sex, area of residence and educational attainment level (%)



Note: *The stage of transition by level of completed education excludes current students whose final education level is still unknown.
Source: SWTS-Zambia, 2012.

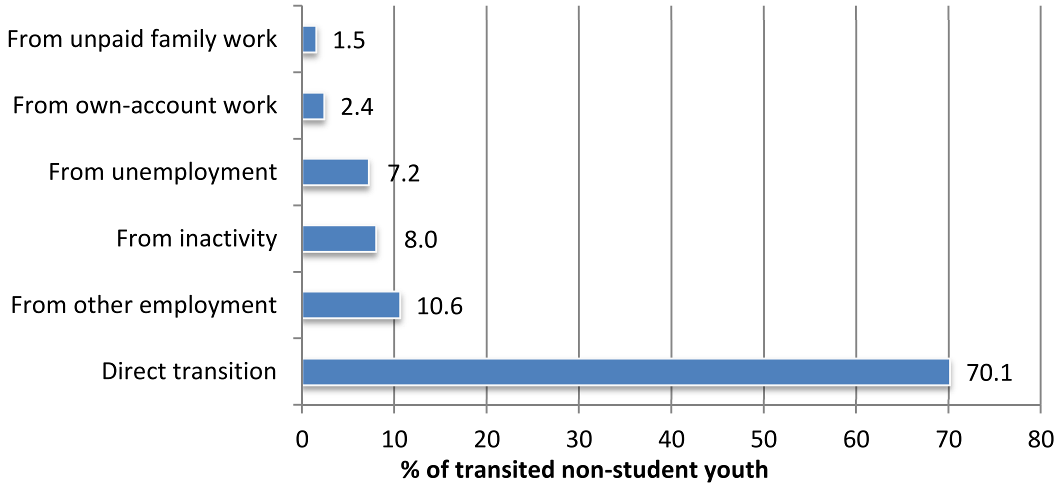
The impact of gender and geography on the likelihood of attaining stable employment or satisfactory self- or temporary employment seems small. The more dramatic results come with educational level. The higher the educational attainment of youth, the more likely they are to attain stable employment. More than half (57.7 per cent) of transited youth with a university degree reached stable employment, compared to 42.3 per cent who attained satisfactory self- and temporary employment. The likelihood of achieving satisfactory self- or temporary employment has an inverse relationship to the level of education. The vast majority of transited youth with no education or primary-level education ended up in satisfactory self- or temporary employment. The likelihood of attaining stable employment is boosted by almost 20 percentage points as youth move between primary and secondary-level education. However, only at the level of completed university education do more than half of the transited youth reach stable employment.

4.3 Transition paths and lengths of transition

Another means of examining the transition is through flows and identifying the labour market category held by the youth prior to transiting to stable and/or satisfactory employment. In Zambia, a majority of transited youth transited directly to their current position (70.1 per cent) (figure 4.4). This means they had no intermediary spell before acquiring their current job, classified as stable in contract terms or satisfactory self- or temporary employment. Much smaller shares transited from an alternative status: 8.0 per cent from inactivity, 7.2 per cent from unemployment, 2.4 per cent from non-satisfactory own-account work, 1.5 per cent from non-satisfactory unpaid family work, and 10.6 per cent moved to the current position from other employment.

The results on transition path suggest that “shopping around” among labour market experiences is not the norm in Zambia. Table 4.3 presents additional transition path indicators that offer a more detailed picture of how youth attained the transited stage. Excluding the youth who transited directly to stable or satisfactory employment (the 70.1 per cent shown in figure 4.4), the path to transition involved, on average, 1.4 intermediary labour market activities – whether unemployment, employment or inactivity – prior to completing the labour market transition. Accordingly, the time spent in intermediary activities was short. The Zambian youth who did not move directly to stable and/or satisfactory employment took, on average, less than 1 year (11.1 months) to attain transited status.

Figure 4.4 Flows to stable and/or satisfactory employment (transited category)



Source: SWTS-Zambia, 2012.

Young Zambians experienced "only" one spell of unemployment in their transition path, and that spell was very short, averaging 3.5 months. The average young transited male spent more time in unemployment than the young female (4.1 and 2.8 months, respectively). The unemployment spell corresponded closely with the spell of self-employment. The transited youth experienced an average of 1.2 spells in self-employment with an average length of 3.9 months (5.6 months for young males and 2.4 months for young females).

Table 4.3 Indicators on the path of transition for youth who completed their labour market transition

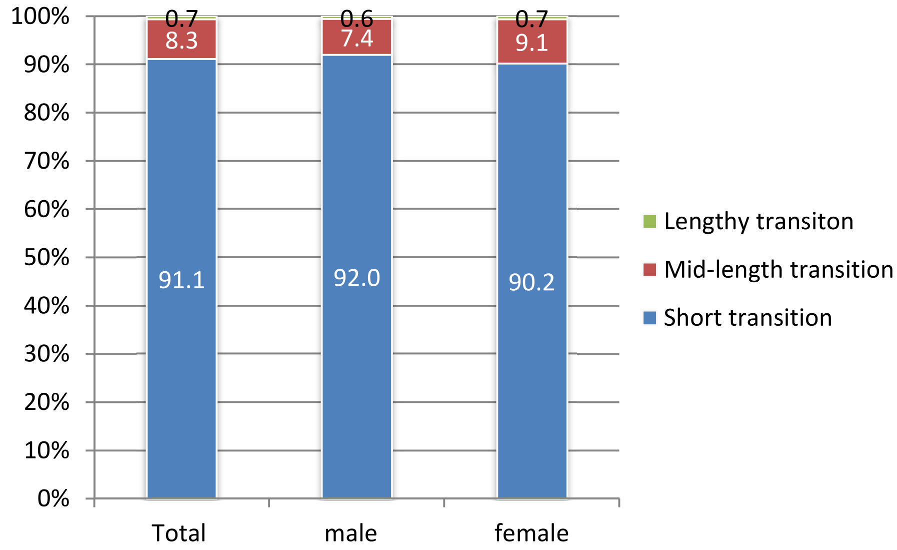
Indicator	Total	Male	Female
Average length of transition - excluding direct transition	11.1 months	8.5 months	13.3 months
Average length of transition - including direct transition	2.2 months	1.6 months	2.9 months
Average number of intermediary activities	1.4	1.4	1.5
Average number of unemployment spells	1.1	1.1	1.1
Average length of unemployment spells	3.5 months	4.1 months	2.8 months
Average number of temporary employment spells	*	*	*
Average length of temporary employment spells	*	*	*
Average number of self-employment spells	1.2	1.2	1.1
Average length of self-employment spells	3.9 months	5.6 months	2.4 months

Note: *insignificant number of observations

Source: SWTS-Zambia, 2012.

The ILO has also developed a classification system for the length of transition period of youth who have completed the transition.[25] In Zambia, because of the dominance of the category of youth who attained their stable and/or satisfactory post as their first labour market experience (direct transits), most transitions (91.1 per cent) were classified as "short". The transition was classified as mid-length for 8.3 per cent of transited youth and lengthy for only 0.7 per cent (figure 4.5). The difference between the sexes was not significant.

Figure 4.5 Length of transition of youth who completed the transition by sex

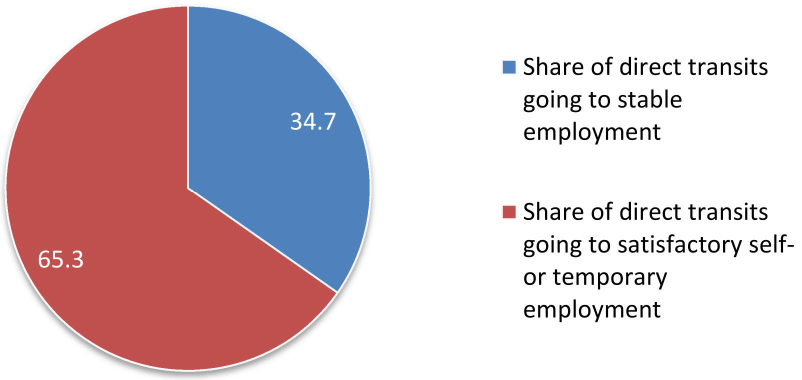


Source: SWTS-Zambia, 2012.

What are the characteristics of the young people who transited directly to stable and/or satisfactory employment and, perhaps more importantly, in which of the sub-categories did they end up? More than six in ten (65.3 per cent) of the youth who transited directly went straight to satisfactory self- or temporary employment. In contrast, those who were able to attain stable employment made up only 34.7 per cent of the directly transits (figure 4.6). A rather disturbing statistic of youth labour market transitions is that 6.6 per cent of directly transited youth completed their labour market transition before the age of 15, a signal that child labour has not yet been eradicated in the country.

[25] A **short transition** is classified as one in which, before obtaining the current satisfactory/stable job, the young person underwent: (1) a direct transition; or (2) a spell (or cumulative spells) of stable or satisfactory employment with no spell of unemployment or inactivity; or (3) a spell (or cumulative spells) of employment of less than or equal to 1 year with no spell of unemployment or inactivity where the job(s) held is(are) classified as non-satisfactory self- or temporary employment; or (4) a spell of unemployment with or without spells of employment or inactivity of less than or equal to 3 months; or (5) a spell of inactivity of less than or equal to 1 year. A **mid-length transition** is classified as one in which, before obtaining the current satisfactory/stable job, the young person underwent: (1) a spell (or cumulative spells) of non-satisfactory self- or temporary employment of between 1 and 2 years with no spell of unemployment or inactivity; or (2) a spell of unemployment with or without spells of employment or inactivity of between 3 months and 1 year; or (3) a spell of inactivity longer than 1 year. A **lengthy transition** is classified as one in which, before obtaining the current satisfactory/stable job, the young person underwent: (1) a spell (or cumulative spells) of non-satisfactory self- or temporary employment of 2 years or over with no spell of unemployment or inactivity; or (2) a spell of unemployment with or without spells of employment or inactivity of 1 year or over.

Figure 4.6 Share of direct transition to stable employment and satisfactory self- or temporary employment (%)



Source: SWTS-Zambia, 2012.

The youth who remain in transition are likely to stay within that category for a long time. The data show that the youth remaining in transition spent, on average, nearly 3 years (34.3 months) within the category (they had been unemployed, in non-satisfactory self- or temporary employment, or were inactive non-students with plans to work, or any combination of the three).[26] The length of time already spent in transition was almost twice as long for the young female as for the young male (42.9 and 22.6 months, respectively).

5. Creating jobs for young people: The employers' perspective

This section analyses the results of the labour demand enterprise survey to determine occupations in demand and whether or not young people are able to fill the jobs available.

5.1 Characteristics of enterprises

Most of the enterprises sampled within the LDES were private enterprises with a relatively small workforce of between one and ten employees (table 5.1). Large enterprises, employing more than 50 workers, are government/public-sector enterprises, foreign enterprises or private companies.

[26] The authors have considered the bias that a young respondent's age can bring to the interpretation of transition duration for those young people still in transition. The "older" youth, aged 29, for example, could have many more years in the labour market than a 15-year-old. This effort is partly balanced by the older youth who stay in education and therefore postpone their entry into the labour market. Rather than attempt a system of weighting by age of the respondent, the authors preferred to present the average duration without adjustment. Users are encouraged, however, to look for future disaggregation of such data by specific youth cohorts: 15–19, 20–24 and 25–29.

Table 5.1 Type of enterprise by number of employees (%)

Type of enterprise	Number of employees					
	1–10	11–20	21–30	31–40	41–50	Above 50
Family business	74.3	15.2	3.8	1.0	2.9	2.9
Government/public-sector enterprise	5.9	5.9	5.9	23.5	0.0	58.8
Branch of a foreign enterprise/company	36.4	36.4	0.0	0.0	0.0	27.3
Private company	47.4	20.9	11.5	3.4	4.0	12.8
Joint venture	50.0	43.8	0.0	0.0	6.2	0.0
Non-profit organization	54.5	18.2	18.2	0.0	0.0	9.1
Cooperative	100.0	0.0	0.0	0.0	0.0	0.0
Total	**52.1**	**20.0**	**9.1**	**3.3**	**3.5**	**12.0**

Source: LDES-Zambia, 2012.

The survey data reveal that Zambian enterprises face a variety of challenges to conduct business (table 5.2). Key obstacles include competition in the domestic market (18.6 per cent), insufficient financial services (14.6 per cent), costs of production (11.1 per cent) and labour costs (10.7 per cent). To some extent, these obstacles, especially insufficient financial services and competition in the domestic market, also reflect the challenges of doing business cited by self-employed youth listed in table 3.23.

These obstacles may affect the profitability of enterprises and, in turn, their ability to create new jobs. However, at the time of the survey, a majority of employers were optimistic about future business growth (figure 5.1). Only a tiny proportion thought there would be a decline in business growth over the next 12 months (4.5 per cent).

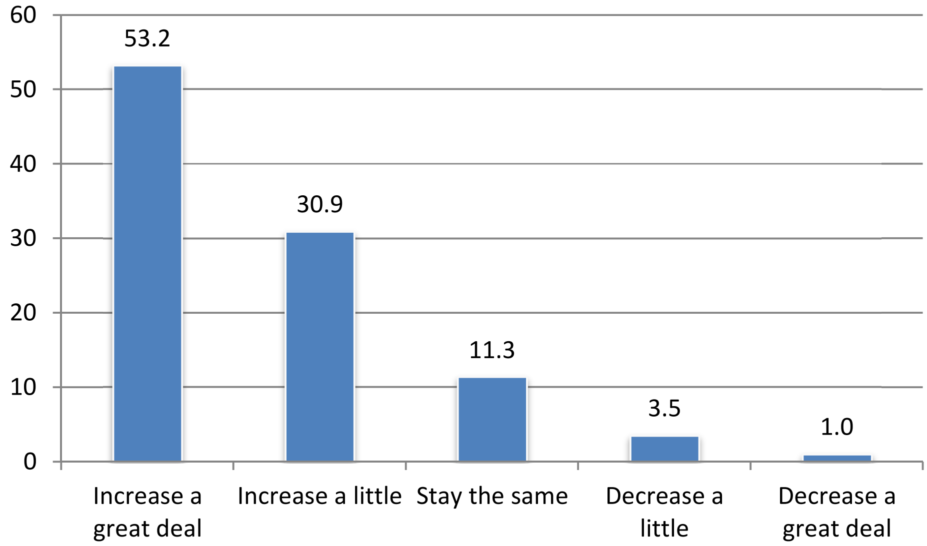
Table 5.2 First and second most important challenge faced by the enterprise (%)

Challenge	Most important	Second most important
Competition in domestic market	18.6	15.6
Financial services	14.6	13.1
Costs of production material, energy	11.1	8.6
Labour costs	10.7	11.8
Labour shortages	8.0	5.0
Quality of labour force	6.6	7.5
Marketing services	6.0	8.8
Legal regulations	4.5	4.3
Competition in export market	4.1	4.8
Productivity	3.1	4.5
Lack of business information	2.5	3.8
Access to technology	2.5	3.8
Political uncertainties	1.4	3.2

Note: Only challenges obtaining more than 3 per cent of the total are shown.

Source: LDES-Zambia, 2012.

Figure 5.1 Employers' perception of the growth of business in the next 12 months (%)

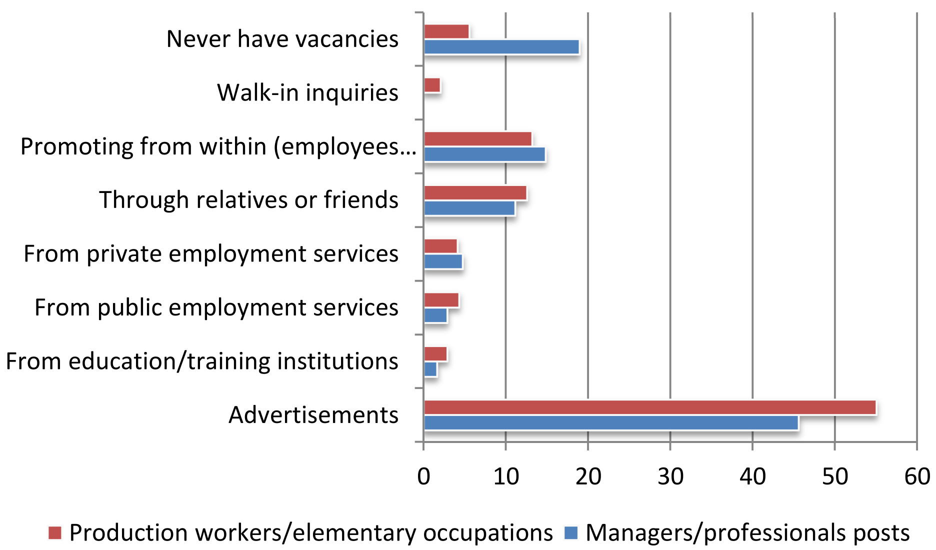


Source: LDES-Zambia, 2012.

5.2 Recruitment of workers

Figure 5.2 presents the methods of recruiting workers identified by enterprises. More than one-half (55.1 per cent) said they use advertisements to fill vacancies for production workers and 45.6 per cent said they use advertisements to look for managers/professional workers. Enterprises claimed to hire workers through families and friends for only 11.1 per cent of professional posts and 12.6 per cent of production posts. A disconnect clearly exists here between the stated recruited methods used by enterprises and the job search methods of young people, given that more than half of the unemployed youth claimed to look for work principally through their network of families and friends (and only 17.5 per cent searched through advertisements) (table 3.29). Similarly, the currently employed youth found work through families and friends in one-third of the cases (31.3 per cent) and through advertisements in only 3.7 per cent (table 3.17).

Figure 5.2 Recruitment methods of enterprises by type of employees (%)



Source: LDES-Zambia, 2012.

5.3 Hiring preferences of enterprises

Table 5.3 shows that a majority of employers claimed to have no specific gender preference when hiring for either professional or production positions. However, those who did express a preference were more likely to favour male workers over female workers for both the professional and production worker categories. A majority of employers also expressed no preference on the marital status of workers but the preference was towards married workers (professional category only) among those who did express one. While almost one-half of employers showed little preference for the age of workers, among those who did have an age criterion, the preference was for professional workers older than 29 (38.4 per cent). Young workers seeking production work should have better luck since 40.6 per cent of employers preferred production workers between 18 and 29 years of age.

With regard to education, more than one-third of enterprises expected persons taking up professional positions to have completed post-secondary vocational training (38.1 per cent) and another one-third (33.2 per cent) expected them to hold a university degree. For production workers, enterprises had fewer expectations of employees with university degrees (3.5 per cent), but employers strongly indicated they expected recruits to have at least a secondary-level education (35.1 per cent) or post-secondary vocational training (33.4 per cent).

Table 5.3 Preferred hiring criterion of enterprises

Characteristic	Managers/professionals		Production workers/Elementary occupations	
	Number	%	Number	%
Age				
Workers < 18 years of age	6	1.2	26	5.4
Workers between 18 & 29 years of age	54	11.1	197	40.6
Workers > 29 years of age	186	38.4	25	5.2
No preference	239	49.3	237	48.9
Sex				
Female workers	20	4.1	26	5.4
Male workers	73	15.1	114	23.5
No preference	392	80.8	345	71.1
Marital status				
Unmarried workers	15	3.1	25	5.2
Married workers	68	14.0	25	5.2
No preference	402	82.9	435	89.7
Education				
Completed elementary education	4	0.8	21	4.3
Completed vocational training (secondary)	25	5.2	69	14.2
Completed secondary education	54	11.1	170	35.1
Completed vocational training (post-secondary)	185	38.1	162	33.4
Completed university	161	33.2	17	3.5
Completed post-graduate studies	26	5.4	4	0.8
No preference	30	6.2	42	8.7

Source: LDES-Zambia, 2012.

The enterprises were also asked to rank the most important characteristic they look for in the worker among sex, age, education/training, marital status, work experience, ethnicity, attitude, appearance, expectations and loyalty/honesty. Results are shown in table 5.4. For professional posts, employers valued most the education level of the worker, followed by the level of work experience. For production workers, only slightly less weight was given to the education level and work experience of job applicants. Employers of production workers showed a higher tendency to value the attitude of applicants as well as their age and expectations.

The value put on work experience by prospective employers is a challenge for young job applicants that is difficult to overcome unless more employers are willing to open their doors to youth to gain the experience. Young people were realistic in their recognition of work experience as one of their main challenges to finding work (cited by 15.2 per cent of unemployed youth in table 3.30 and 12.0 per cent of working youth in table 3.18).

Table 5.4 Most important characteristic employers consider in recruiting workers

	Managers/professionals		Production workers/ Elementary occupations	
Characteristic	**Number**	**%**	**Number**	**%**
Sex	2	0.4	7	1.4
Age	18	3.7	23	4.7
Education/training	236	48.7	224	46.2
Marital status	3	0.6	3	0.6
Job experience	184	37.9	153	31.5
Ethnic belonging	4	0.8	12	2.5
Attitude	22	4.5	38	7.8
Appearance	2	0.4	5	1.0
Expectations	9	1.9	16	3.3
Loyalty/honesty	2	0.4	2	0.4
Don't know	2	0.4	2	0.4

Source: LDES-Zambia, 2012.

5.4 Skills assessment of young workers

Employers were asked to rate the aptitude of young applicants (aged 15−29) on the following skills: writing, technical, communication, breadth of education/training, application of knowledge to work, commitment and discipline, and whether or not the young people had realistic expectations about the labour market. Table 5.5 shows that for the most part, enterprises were generous in their assessment of young job applicants. Ten (9.7) per cent of employers gave an overall “excellent” rating of the skills of young job applicants while another 58.4 per cent assessed applicants’ skills as “good” and 27.2 per cent as “adequate”. The most favourable marks went to communication skills (69.7 per cent of employers rated young applicants as good or excellent), although the positive ratings exceeded 60 per cent also for the breadth of education/training, the ability to apply knowledge, commitment and disciple, and a realistic expectation of the world of work. The areas that received the lowest assessments – with between 10 and 15 per cent ranking as “poor” or “very poor” – were writing skills, technical/IT skills, and commitment and discipline.

Table 5.5 Employers' assessment of young job applicants' skills (aged 15−29)

Skill	Assessment (%)				
	Excellent	Good	Adequate	Poor	Very poor
Writing	13.2	45.2	31.5	8.7	1.4
Technical/IT	10.3	47.6	27.8	11.1	3.1
Oral communications	17.7	52.0	24.7	4.5	1.0
Breadth of educational training	9.3	51.8	31.1	7.6	0.2
Ability to apply knowledge learned in school to work environment	8.2	55.9	26.4	8.9	0.6
Commitment & discipline	13.0	50.3	26.4	9.3	1.0
Realistic expectations about the world of work	14.2	49.9	26.8	7.6	1.4
Overall	**9.7**	**58.4**	**27.2**	**4.3**	**0.4**

Source: LDES-Zambia, 2012.

5.5 Education and training

Section 3.6.5 investigated the issue of overeducation and undereducation among young workers. The conclusion was that both phenomena are of concern. Undereducation was shown to affect 18.7 per cent of young workers and overeducation 25.8 per cent. The Zambia Association of Chambers of Commerce and Industry (ZACCI) reports that there is a constant mismatch between skills provided and labour market needs (De Gobbi, 2013, p. 65), although it is important to temper this statement with the generally positive assessment of the LDES outlined in table 5.5. One means of addressing the qualifications mismatch and making sure that young workers have the necessary skills to best perform available jobs is to offer on-the-job training. A trained worker has the possibility to be more efficient, effective and better motivated at work than an untrained (and hence insecure) worker.

The LDES reveals that less than half (41.6 per cent) of employers offered some level of training to their employees over the previous 12 months. Employers seem reluctant to invest in training, perhaps due to the cost constraints. Of the employers who did invest in training, 52.5 per cent had trained fewer than 5 employees, 39.6 per cent had trained between 5 and 25 employees, and 7.9 per cent had trained more than 25 employees (table 5.6). Most training was job-related (98.5 per cent) and of an informal, on-the-job nature (61.1 per cent).

Table 5.6 Enterprises by number of workers trained, type and place of training and training provider (%)

	%		%
Number of workers trained		**Type of training**	
Less than 5	52.5	Job-related education/training	98.5
5 to 25	39.6	Non-job-related education/training	1.5
More than 25	7.9	**Training institution**	
Place of training		Enterprise	76.4
On the job, informal	61.1	Private-sector training institution	18.7
Classroom, on premises	17.7	Government training institution	4.4
Classroom, off premises	20.7	Other	0.5
Other	0.5		

Source: LDES-Zambia, 2012.

5.6 Labour demand

Employers were asked to identify the possible vacancies that would open up in the next 2−3 years. Table 3.15 in section 3.5 shows the results. The growth prospects are skewed towards low-paying and insecure jobs. The demand for workers in elementary occupations – domestic cleaners and helpers, drivers and food preparation assistants – is strong. Fortunately, the demand for higher skilled occupations – engineers, business professionals and commercial managers – is also evident, which provides some hope for the youth emerging from higher education.

Hard-to-fill vacancies

Hard-to-fill vacancies are openings where employers find themselves unable to find persons to hire. The reason could be insufficient quality among the candidates who apply for these posts, relating to inadequate skills, experience, qualifications or poor attitude. Alternatively, hard-to-fill vacancies can exist as a result of an insufficient number of applicants applying for the vacancy, perhaps due to the wages or terms offered for the job. The results in table 5.7 are similar to the growth occupations identified in table 3.15. Numerous high-skilled occupations are considered hard-to-fill vacancies, such as those requiring science and engineering professionals, administrative and commercial managers, hospitality, retail and other service managers, and business and administrative professionals. Lesser skilled occupations also appear on the list, including personal service workers, food preparation assistants, handicraft and printing workers, and sales workers. The reason given for defining the vacancy as hard-to-fill is almost evenly split between those who cite too few applicants and those who cite the insufficient quality of applicants.

Table 5.7 Top ten hard-to-fill vacancies identified by enterprises with reason

Occupation title	Reason
Science & engineering professionals	Too few applicants
Administrative & commercial managers	Too few applicants
Business & administration professionals	Insufficient quality of applicants
Personal service workers	Too few applicants
Sales workers	Too few applicants
Food preparation assistants	Insufficient quality of applicants
Hospitality, retail & other service managers	Insufficient quality of applicants
General & keyboard clerks	Too few applicants
Handicraft & printing workers	Insufficient quality of applicants
Food processing & other craft & related trades workers	Insufficient quality of applicants

Source: LDES-Zambia, 2012.

Enterprises identified the following as the most common consequences of hard-to-fill vacancies: loss of business (31.6 per cent), difficulties in meeting quality standards (21.1 per cent), difficulties in meeting customer service objectives (21.1 per cent) and increased operating costs (10.5 per cent). A non-negligible proportion (10.5 per cent) responded that hard-to-fill vacancies had no impact at all.

6. Relevant policy framework and policy implications

This section provides an overview of the relevant policy framework affecting youth employment issues in Zambia, including the overarching development plan, youth policies and the youth employment action plan.[27] The second part of this section attempts to provide policy implications on youth employment promotion.

6.1 The relevant policy framework in Zambia

Despite the high youth unemployment level, the current approach towards addressing the youth (un)employment challenge in Zambia at the institutional level is incoherent. While the relevant Policy, Legal and Regulatory Framework (PLRF) for the promotion of youth employment creation and entrepreneurship development exists, it lacks the synergies necessary to facilitate concerted action. Moreover, the young people themselves are not being actively engaged in the process as partners to assert their role in informing the development of relevant strategies to address this issue. It is hoped the recent National Action Plan (NAP) for Youth Employment will help to relieve some of the coordination issues around the policy framework of youth employment in Zambia. The following sub-sections provide additional details on the policy frameworks under which the NAP function.

6.1.1 Revised Sixth National Development Plan

The theme of the Revised Sixth National Development Plan (R-SNDP) is s*ustained economic growth and poverty reduction* and the stated objectives are to accelerate infrastructure development, economic growth and diversification, rural investment and poverty reduction, and to enhance human development (Ministry of Finance and National Planning, 2011). The Plan calls for the diversification of the economy away from mining towards agriculture, tourism, manufacturing as well as energy and infrastructure development. A key objective is to increase formal sector employment and improve the quality of the workforce through the implementation of key policies, such as the National Employment and Labour Market Policy (see section 6.1.3) and the Decent Work Country Programme.

6.1.2 National Youth Policy

The National Youth Policy (NYP) was adopted in 1994 and the National Programme of Action for Youth (NPAY) was prepared in 1997. A revised policy was adopted in 2006. Under the area of youth employment in the 2006 revision, the Policy set the specific objectives to: (i) establish school-leavers' programmes to prepare youths for employment; (ii) involve youth in agriculture and other sustainable employment ventures; (iii) assist skilled youth to settle in communities by providing start-up capital for the development of small businesses; (iv) encourage the formation of youth cooperatives; (v) promote viable projects to reduce unemployment; (vi) promote information and communications technology as a major job creation programme for youth; and (vii) prioritize economic growth for employment creation (Ministry of Sports, Youth and Child Development, 2006).

[27] For a more detailed review of policies with relevance to youth employment, including the skills development framework and enterprise development policies, readers are encouraged to review Chigunta, Mwanza and Chisupa (2013).

The NYP is currently undergoing review in an effort to make it more relevant and responsive to current youth development challenges. The recommendations on employment and entrepreneurship, as well as on education, although not yet articulated into a coherent youth employment and job creation strategy, highlight areas for action, including shifting the approach towards addressing the demand and supply-side constraints together, improving the governance of the labour market and enhancing the policy/programme implementation process.

Also in the area of entrepreneurship development, the government has initiated a number of policies and programmes, such as the Micro, Small and Medium Enterprises (MSME) Development Policy, the Citizens Economic Empowerment (CEE) Act, the Technical Education, Vocational and Entrepreneurship Training (TEVET) Act and the Zambia Development Agency (ZDA) Act. The MSME Development Policy is intended to guide the development of MSMEs in the country and acknowledges the importance of promoting business linkages between large and small enterprises.

6.1.3 National Employment and Labour Market Policy

In 2005 the government launched a National Employment and Labour Market Policy in which it identified labour as a key factor in economic growth. The policy aimed at creating "adequate and quality jobs under conditions that ensure adequate income, protection of workers' and basic human rights".

6.1.4 National Action Plan for Youth Employment 2013

The National Action Plan (NAP) for Youth Employment is currently waiting for government approval. The document has been given the mandate by the President of Zambia "to provide a framework for informed and effective support in the design, monitoring and evaluation of policies and programmes that will promote productive and job-rich growth for our Zambian youth" (Ministry of Youth and Sports, 2013). The NAP thus articulates: (i) a process of migrating from scattered micro interventions to coherently mainstreamed sectoral and local economic development approaches; (ii) a human capital building process targeting youth readiness to fully participate in and benefit from economic growth and employment expansion; and (iii) an institutional capacity enhancement process to improve the provision of critical intermediation and support services.

The Action Plan sets out the following three intervention areas, each accompanied by specific objectives and strategies:

- Promoting youth-centred employment and job creation;
- Capacitating youth; and
- Improving the provision of support services.

6.1.5 Technical Education, Vocational and Entrepreneurship Training policy

The Technical Education, Vocational and Entrepreneurship Training (TEVET) policy was developed in 1996 and provided the guidelines for improving the delivery of technical, vocational education and training in the country. The TEVET policy informed the design of the TEVET Act that led to the establishment of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA). The TEVETA is the government institution responsible for regulating all forms of technical education and vocational training in Zambia. The amendments to the TEVET Act, among other things, led to the inclusion of entrepreneurship development in all TEVET curricula and institutions.

6.2 Policy implications

Identifying the nature and extent of the youth employment challenge at the country level is a prerequisite to formulating evidence-based and integrated policies and programmatic interventions. With detailed information on the blockages that are preventing sufficient job creation from absorbing the cohorts of young labour market entrants, governments will be better prepared to design effective policy responses. Facilitating an improved school-to-work transition (or work-to-school transition for youth previously engaged in child labour) is a precondition to helping young people overcome difficulties in finding and maintaining decent jobs.

The analysis of the SWTS in Zambia highlights issues of low-quality employment, low, but improving, levels of educational attainment, inefficiencies in meeting the demand of employers, etc. The evidence from the survey clearly demonstrates that Zambia needs a vision for the future of its labour market and a strategy to improve its labour market outcomes, particularly for youth. Since youth employment is highly dependent on the country’s general employment situation, it is critical to prioritize employment in national policy-making and to centralize employment within economic and social policies.

The Government of Zambia is already active in the area of employment promotion and skills development, as the previous sub-section has demonstrated. The 2012 SWTS and future dataset for 2014 can make a significant contribution to providing policy-makers with information to initiate, monitor and evaluate the numerous policies and programmes outlined above and to move towards implementing the NAP. In particular, the following main areas of action should be followed closely:

1. **Design macroeconomic policy to promote job growth, especially within the agricultural sector.** The results show that 64.5 per cent of youth work in the services sector, 25.9 per cent in the agricultural sector (including fishing), and 9.6 per cent in the industrial sector. In terms of occupations, the largest share of young persons are engaged in an elementary occupation (35.7 per cent), followed by 32.2 per cent in shop and sales work, 11.4 per cent in agriculture and 6.4 per cent in crafts-related work. There is thus no question that, in the medium term, there is scope for investment to reinvigorate the agricultural sector.

   The results have also shown that a large number of unemployed youth are hoping to gain work as “professionals”, while currently the occupation group ranks low among employed youth. There is a clear gap in the supply and demand of young professionals. The young person seeking work as a shop worker, on the other hand, is likely to find it less difficult to find work. Beyond improving the alignment of the educational system to the demands of the labour market, demand-side solutions are needed to generate additional jobs for young professionals. This requires coordinated policy efforts to support aggregate demand through pro-employment macroeconomic policies and to foster growth engines through an appropriate balance of export-driven growth and the expansion of domestic markets (ILO, 2013a, section 6). See box 3 for general approaches in this area.

2. **Ensure educational access for all and prevention of early school departures.** The education system is fairly strong, but it is clear that not everyone is currently making the most of it. Over one-fifth (23.5 per cent) of youth aged 15−29 remained in education through primary level or lower and nearly one-third (30.8 per cent) left school before completion. Higher education is shown to lead to a better labour market outcome and an easier labour market transition. Policies and resources should be directed towards keeping young people in school and enhancing the quality of education in academic institutions and vocational training centres. Two main policies and programmes can address this. The first relates to expanding the investment in education, especially in rural areas, and expanding access to education and training to the most disadvantaged youth excluded by costs. The

second is improving the quality of education and addressing the skills mismatch to allow young males and females to better meet the needs of the market, which is explained further in the following policy implication.

Box 3. Approaches to boost aggregate demand and promote youth employment

Policies that promote employment-centred and sustainable growth are vital if young people are to be given a fair chance at a decent job. Youth labour market outcomes are closely related to overall employment trends but are more sensitive to the business cycle. A boost in aggregate demand is key to addressing the youth employment crisis as this will create more job opportunities for young people. ILO research shows that macroeconomic policies can influence youth employment by encouraging economic diversification and productive transformation; reducing macroeconomic volatility by engaging in timely and targeted counter-cyclical policies; loosening constraints on private-sector growth, with a particular emphasis on access to finance for micro, small and medium-sized enterprises; focusing on targeted demand-side interventions with particular impact on youth employment (e.g. labour intensive infrastructure works, public employment programmes, wage and training subsidies); and ensuring adequate and predictable funding for targeted youth employment interventions.

Source: ILO (2013a), box 8.

3. **Improve the quality of education and open the dialogue between employers and universities and training institutions on the identification of core skills to be added to curricula.** Private-sector development is hampered by the insufficient numbers of skilled youth. Employers are looking for employees who can continue to learn and adapt; read, write and compute competently; listen and communicate effectively; think creatively; solve problems independently; manage themselves at work; interact with co-workers; work in teams or groups; handle basic technology; and lead effectively as well as follow supervision (Brewer, 2013). Developing curricula that evolve through continuous dialogue with employers to align the training programme with business needs and local realities as well as keep teachers up-to-date about workplace practices is one good practice aimed at improving core skills. Mentoring programmes that link students with professionals or young workers is another.

4. **Improve working conditions by ensuring equal treatment for and rights of young workers.** The survey results show that young people continue to suffer from decent work deficits and low-quality jobs. Most working youth are in irregular employment in the informal economy. Labour laws and collective agreements, including through sanctioning mechanisms, can protect young workers and facilitate their transitions into stable and decent employment. In parallel, a system of incentives to encourage the registration of enterprises is to be promoted, while at the same time providing incentives for employers to invest in the improvement of young people’s work conditions. The Government must give clear signals to enterprises that it supports the expansion of the formal sector.

5. **Support employers in taking active part in the creation of decent jobs for young people.** Employers may take on young people when subsidies are offered in the way of tax breaks or other financial incentives, although the very high levels of informality among enterprises in the country can hamper the effectiveness of such a strategy. Perhaps more can be done to make the business case for employing young people by highlighting how this impacts on organizations’ competitiveness. Helping employers link investment in young people and in the training of their young staff to their business strategy is an area that could be expanded. At the same time, the Government is advised to give clear signals to enterprises that it will reward private sector enterprises that respond well to measures inducing job creation for the young people.

6. As very few young people use formal means of finding work, **enhance the role of institutions that deal with employment/unemployment issues and improve the collection and dissemination of labour market information.** Young people mainly use informal methods to search for jobs. Employers also use informal networking to recruit young persons, although this is likely to be downplayed in their survey responses. Given this situation, increasing labour demand without improving information and access to the

labour market will do little to help integrate disadvantaged youth who lack personal connections to the labour market.

Labour market information, job search assistance, vocational counselling and career guidance should be promoted in Zambia to assist and orient young persons. Greater investment in employment offices and agencies can help to improve the connection between young people and enterprises.

7. **Facilitate the financial inclusion of youth and access to credit and business support services to young entrepreneurs.** Access to finance is consistently listed as a major constraint for enterprises to expand their capacity via investments that lead to the creation of new jobs (Matsumoto, Hengge and Islam, 2012). This is particularly important in countries where a majority of establishments are micro and small enterprises. Zambia is no exception. Consequently, measures aiming to improve financial inclusion are likely to stimulate labour demand and thereby to generate new employment opportunities for young people. At the same time, young entrepreneurs will need more than financial support to stay in business. Policies and programmes to strengthen business development services for young people and establish mentoring programmes in which an established company provides support to a young business are also needed.

8. **Promote bipartite and tripartite cooperation on youth employment to yield better employment outcomes.** Establishing an enabling environment for the successful implementation of employment and labour market interventions for young people requires bipartite and tripartite cooperation. This is confirmed by the results of evaluations of youth employment programmes. Zambia's government, employers' organizations and trade unions have a role to play by fulfilling their own specific mandates and through concerted and joint efforts for the promotion of decent work for youth in the country.

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Annex I. Definitions of labour market statistics

1. The following units are defined according to the standards of the International Conference of Labour Statisticians:

a. The **employed** include all persons of 15 years of age or more who during a week of reference:

- worked for wage or profit (in cash or in kind) for at least one hour;
- were temporarily absent from work (because of illness, leave, studies, a break of the activity of the firm, etc.), but had a formal attachment to their job;
- performed some work without pay for family gain.

b. The **unemployed** include all persons of 15 years of age or more who meet the following three conditions during the week of reference:

- They did not work (according to the abovementioned definition);
- They were actively searching for a job or took concrete action to start their own business;
- They were available to start work within the two weeks following the reference week.

c. Persons neither included in the employed nor in the unemployed are classified as **not in the labour force (also known as inactive).**

2. The International Classification of Status in Employment (ICSE) categorizes the employed population on the basis of their explicit or implicit contract of employment, as follows:

a. **Employees** (also wage and salaried workers) are all those who hold the type of jobs defined as "paid employment jobs", where the incumbents hold explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work.

b. **Employers** are those workers who, working on their own account or with one or a few partners, hold the type of jobs defined as "self-employment jobs" (i.e. jobs where the remuneration is directly dependent upon the profits derived from the goods and services produced) and, in this capacity, have engaged, on a continuous basis, one or more persons to work for them as employee(s).

c. **Own-account workers** are those who, working on their own account or with one or more partners, hold the type of jobs defined as "self-employment jobs" and have not engaged, on a continuous basis, any employees to work for them.

d. **Contributing (unpaid) family workers** are those who hold "self-employment jobs" as own-account workers in a market-oriented establishment operated by a related person living in the same household.

3. The employed are also classified by their main occupation, in accordance with the International Standard Classification of Occupations (ISCO-08).

4. A **household** is every family or other community of persons living together and jointly spending their income to satisfy the basic necessities of life. The concept of household includes members present in the place where the household resides, as well as individuals who are temporarily absent and living elsewhere, including abroad, for business, education or other, as long as their residence in the foreign country does not exceed 1 year. A person living alone can also qualify as a household ("single household") if s/he does not already belong to another unit. The single household can reside in a separate or shared apartment, considered as an independent unit as long as the household's income is not shared with other residents. Collective households, such as prisons and institutions, and their members are not observed in the LFS.

5. The **reporting period**, to which the questions for the economic activity are related, is the week before the week of interview (52 reporting weeks throughout the year).

6. The following units are also defined within the SWTS analysis but are outside the scope of those defined within the international framework of labour market statistics mentioned in item I1 above:

a. **Relaxed unemployment** – a person without work and available to work (relaxing the jobseeking criteria of item I1b above).

b. **Labour underutilization rate** – the sum of shares of youth in irregular employment, unemployed (relaxed definition) and youth neither in the labour force nor in education/training (inactive non-students) as a percentage of the youth population.

c. **Regular employment** – the sum of employees with a contract (oral or written) of 12 months or more in duration and employers; the indicators is therefore a mix of information on status in employment and contract situations.

d. **Satisfactory employment** – based on self-assessment of the jobholder; implies a job that the respondent considers to "fit" to their desired employment path at that moment in time.

e. **Stable employment** – employees with a contract (oral or written) of 12 months or more in duration.

f. **Temporary employment** – employees with a contract (oral or written) of less than 12 months in duration.

This report presents the highlights of the 2012 School-to-work Transition Survey (SWTS) and Labour Demand Enterprise Survey (LDES) run together with IPSOS Zambia within the framework of the ILO Work4Youth Project. This Project is a five-year partnership between the ILO and The MasterCard Foundation that aims to promote decent work opportunities for young men and women through knowledge and action. The W4Y Publication Series is designed to disseminate data and analyses from the SWTS administered by the ILO in 28 countries covering five regions of the world. The SWTS is a unique survey instrument that generates relevant labour market information on young people aged 15 to 29 years. The survey captures longitudinal information on transitions within the labour market, thus providing evidence of the increasingly tentative and indirect paths to decent and productive employment that today's young men and women face.

The W4Y Publications Series covers national reports, with main survey findings and details on current national policy interventions in the area of youth employment, and regional synthesis reports that highlight regional patterns in youth labour market transitions and distinctions in national policy frameworks.

Work4Youth

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