

Minding the gap: what can governments do?

Addressing the large gap between youth employment preferences and the reality of labour markets requires policy makers to do two things: (1) help young people shape realistic career aspirations, and (2) improve the quality of jobs with regards to the conditions that matter for them. To achieve those two objectives, the study proposes a strategy based on eight goals:

- Guide students' learning and career choices through better and well-informed career guidance and counselling.
- Unlock the potential of young entrepreneurs by addressing the wide range of factors blocking or enhancing their performance.
- Make agriculture more attractive for youth: it is currently the main employer in many developing countries, and has the potential to create more jobs.
- Extend social protection to workers in the non-state sector, and gradually to informal workers.
- Offer greater job security through more stable contractual arrangements in the wage sector, and protect workers against income loss.
- Make work pay: raise the productivity and earning capacity of low paid workers. Governments should continue to invest in enhancing the quality of education, and enshrine equal pay for women and men in the law. A minimum wage policy can be effective in countries where unions are weak, as long as it covers a broad range of workers and is enforced by a credible mechanism.
- Reduce skills mismatches by providing high-quality career guidance counselling; invest in the quality and adequacy of education and initial training; and increase opportunities for workers to receive continuing training at work.
- Support more formal labour relations, so as to decrease the costs of working informally and increase the benefits of working formally.

Youth Inclusion Project website: <http://oe.cd/1h0>

Link to the report:

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Development Centre Studies



Youth Aspirations and the Reality of Jobs in Developing Countries

MIND THE GAP

The 60-second
guide



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Young people in developing countries: what jobs do they aspire to?

Policy makers in developing countries are increasingly concerned with the quality of jobs as a factor of sustained development, and job satisfaction as a driver of productivity. But they have little information about young people's expectations, and how to bring them closer with opportunities in the real world.

This report will help them by answering two key questions: **What shapes youth's employment preferences in developing countries? And how can the gap between their aspirations and opportunities in the labour markets be addressed?** It draws from data collected in 32 developing and transition countries in Africa, Asia, Europe, and Latin America, between 2012 and 2015, through the school-to-work transition surveys (SWTS).

The report warns about the large gap between youth aspirations and the reality of the labour market.

The EU-OECD Youth Inclusion project

The report is a result of the Youth Inclusion project, co-funded by the European Union and implemented by the OECD Development Centre to analyse specific dimensions of youth inclusion in the developing world. The project also includes:

- a report on *Unlocking the Potential of Youth Entrepreneurship in Developing Countries: From Subsistence to Performance*,
- an upcoming study on *Supporting Rural Youth Livelihoods through Sustainable Agriculture Practices and Local Value Chains*,
- *Youth Well-being Policy Reviews* for nine countries.

You can find them on the project website: <http://oe.cd/1h0>

Mind the gap: youth aspirations vs. the reality of jobs in developing countries

Youth search for certain job characteristics that are not readily available in developing countries

In developing countries, a significant proportion of youth are not satisfied with their jobs. Young people are looking for jobs with specific characteristics and conditions that would raise their job satisfaction, but they do not seem to find them.

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Job satisfaction

- job security (long-term contracts and high expectation to keep the current job)
- formality
- training opportunities
- skill intensity of job
- matching qualifications
- wage employment and self-employment (only if chosen or required by family)
- labour earnings

Job dissatisfaction

- job insecurity (short-term contracts and fear to lose job)
- informality
- lack of training opportunities
- low-skilled employment
- skills mismatch (especially overqualification)
- agriculture employment
- self-employment by default and unpaid family work

There is a large mismatch between youth career aspirations and projected labour demand

Overall, young people appear over-optimistic in light of today's and tomorrow's labour market needs: about 60% of students wishing to work in high skilled occupations have a low chance of fulfilling their career aspirations. This likelihood of being disappointed is much higher amongst young workers who occupy a medium-skilled job (73%), and those who occupy a low-skilled job (80%). Projections for the coming years yield similar results.

Career aspiration gaps are large everywhere but the depth differs across regions: the challenge is the greatest in Africa and Latin America where the gaps reach 65% and 62%, respectively.

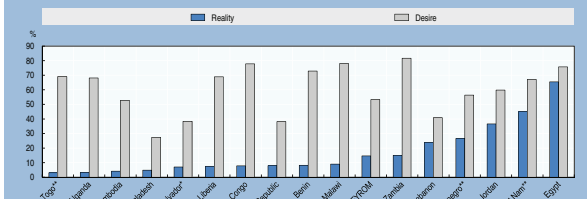
A major concern is that the gap between youth career aspirations and the reality of labour markets subsists for tertiary educated students: although they

legitimately expect to hold high-skilled jobs, 48% of them are likely not be able to do so. This indicates the difficulty that developing and emerging countries face in responding to the career aspirations of their ever increasing populations of graduates.

Did you know...?

Not enough jobs for youth in the public sector
On average, around 57% of the students in the countries studied want to work in the public sector; the demand is highest in Africa. However, the attractiveness of the sector exceeds by far the employment opportunities it provides: as many as 40% of students wishing to work for the public sector are unlikely to be able to do so.

Public sector (international organisations NGOs)



Notes:

*The estimations refer to the urban population only.

** The estimations do not consider any weights.

Career expectations are increasing in developing countries because a majority of young people today are more educated than their parents. But more factors are at play: disadvantaged students tend to have high employment preferences for the public sector and are less attracted to self-employment; students from rural areas and low-income households are more likely to be attracted by low-skilled occupations; finally, as young people shape their goals about the future, their parents' jobs tend to influence this decision. There are also strong gender dimensions in career aspirations, as being a woman increases the preferences for work in the public sector and high skilled occupations, and reduces the willingness to become self-employed.