Work4Youth
Publication Series
No. 35

International Labour Office

The MasterCard Foundation

Labour market transitions of young women and men in Malawi

Results of the 2014 school-to-work transition survey

Richard Mussa

April 2016

Youth Employment Programme
Employment Policy Department

Work4Youth Publication Series No. 35

Labour market transitions of young women and men in Malawi

Results of the 2014 school-to-work transition survey

Richard Mussa

International Labour Office ● Geneva

April 2016

First published 2016

ILO Cataloguing in Publication Data

Mussa, Richard

Labour market transitions of young women and men in Malawi: results of the 2014 school-to-work transition survey / Richard Mussa ; International Labour Office. - Geneva: ILO, 2016
(Work4Youth publication series ; No. 35)

International Labour Office

youth employment / youth unemployment / youth / employment status / transition from school to work / entry into working life / Malawi

13.01.3

Printed by the International Labour Office, Geneva, Switzerland

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 (UN). As part of this agenda, the UN 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). The current report, which presents the results of the survey run in Malawi in 2014, 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 34 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' organizations 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

Alexio Musindo
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.

Contents

Tables

Figures

Boxes

Acknowledgments

The author wishes to express his gratitude to the members of the ILO Work4Youth Team, especially Marco Principi who provided invaluable support on data processing, and Valentina Barcucci who finalized the report. Sincere thanks also to Naomi Lintini, Chief Technical Advisor of the STED Project in Malawi, for her comments on the policy framework section. An enormous thanks are due to the National Statistics Office of Malawi and more specifically to the team led by Medson Makwemba for the excellent work in producing the national survey. 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

Malawi has a young population – its median age is 17 years (NSO, 2009). Therefore, the need to create current and future employment is at the heart of the country's development policies. On 25 September 2015 Malawi joined other countries in adopting a new set of global goals to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. One of the 17 new Sustainable Development Goals seeks to promote economic growth and ensure decent work for all (SDG 8). Domestically, Malawi has a number of policies and programmes that seek to tackle youth unemployment. These include the Malawi Growth and Development Strategy, the National Employment and Labour Policy, the National Youth Policy and the Malawi Decent Work Country Programme. As part of a wider objective to solve the youth employment challenge in Malawi, these policies aim to improve the transitions of youth from school to work.

Existing labour market information in Malawi cannot adequately answer the question of why the school-to-work transitions of young people are long and difficult processes. Being able to answer this question would go a long way towards improving the existing employment strategies, so that they are better able to deal with problems that youth face as they transition from school to work. Recognizing this information gap, the ILO conducted its School-to-Work Transition Survey (SWTS) in Malawi. The SWTS is an ILO survey instrument for generating information on the current labour market situation for young people aged 15–29 years, and on the history of economic activities and the perceptions and aspirations of youth. The National Statistics Office of Malawi was commissioned to undertake two rounds of the SWTS. The first round was conducted in June 2012 and reached 3,102 interviewees. A report summarizing the 2012 results was published in October 2013 (Mussa, 2013). The second round was completed in 2014 and involved 3,097 youth. The first round of SWTS was complemented by the Labour Demand Enterprise Survey (LDES), which provides information on the current and expected workforce needs of enterprises and the perspectives of managers on the pool of available young jobseekers and workers. This was not repeated during the second round.

The indicators generated from the SWTS and analysed in this report present a much more detailed picture of youth in the labour market in Malawi than can be produced using standard surveys, including the Malawi Labour Force Survey. Unemployment among youth is a major national concern, but there are a number of questions regarding the youth labour market that standard surveys cannot answer, such as: Is the work that young people are engaged in satisfactory and of high quality? Does that work provide an adequate level of security? What is the nature of young people's transition from school to work? This report provides answers to these important questions. It presents findings from the second round SWTS and, where feasible, comparisons with the first round results are also made to ascertain possible trends.

1.2 Main findings

Many young women and men, especially in rural areas, are not benefiting fully from the educational system, and a negligible number of youth undergo vocational education.

Despite the introduction of free primary education in Malawi in 1994, a large proportion of youth (54.2 per cent in 2012 and 47.0 per cent in 2014) had not completed primary-level education or received no schooling. In both years, more young women than young men had not completed primary education, and higher shares of young men than young women had completed secondary and tertiary education. For example, in 2012, 18.5 per cent of young men had completed secondary education, compared with only 11.6 per cent of young women. Rural youth, relative to their urban counterparts, still had less favourable educational outcomes. Specifically, 56.6 per cent and 49.3 per cent of youth in rural areas in 2012 and 2014, respectively, had less than primary education, compared with 35.4 per cent in 2012 and 33.0 per cent in 2014 for youth in urban areas. A significant feature of youth educational outcomes in Malawi is the small number of youth who complete vocational training. The share of youth with secondary or higher level vocational education or training was 2.2 per cent in 2014.

Poverty is the main reason why youth drop out of school, but dropping out to get married is gaining prominence.

Poverty is a major factor in why many youth leave education early in Malawi. The survey results reveal that 56.6 per cent and 57.2 per cent of early school leavers left for economic reasons in 2012 and 2014, respectively. In both years, young men were more likely than young women to cite economic reasons for dropping out of school. Interestingly, there was a substantial increase in the proportion of young women who left school because they wanted to get married, from 8.2 per cent in 2012 to 23.4 per cent in 2014.

Unemployment (relaxed definition) affects more than one in ten of the economically active youth population, and there is a gender difference in favour of young men.

The youth unemployment rate in Malawi (relaxed definition[2]) in 2014 was 13.7 per cent; this represented a decline from 18.9 per cent in 2012. A gender difference to the disadvantage of young women was apparent in the unemployment rates; the unemployment rate for young women was more than double that for young men. Specifically, the unemployment rate for young women was 25.0 per cent in 2012 and 18.5 per cent in 2012. In contrast, for young men, the unemployment rate was 12.5 per cent in 2012 and 8.7 per cent in 2012.

For the majority of unemployed youth the duration of unemployment is short, but one in five unemployed youth have been jobless for more than two years.

Unemployment while young, especially of long duration, can cause permanent scars. The share of unemployed youth who had been unemployment for less than one year was 63.0 per cent in 2014 (62.8 per cent for young men and 63.2 per cent for young women). A further 21.6 per cent of the unemployed youth had been unemployed for more than two years. When asked about the major obstacle they face in finding work, the young unemployed pointed to their lack of necessary qualifications and skills. The majority (56.6

[2] The "relaxed" definition is used, whereby a jobless young person (who is available to work) does not have to demonstrate active job searching to be included in the category.

per cent in 2012 and 43.2 per cent in 2014) indicated that the requirements for jobs are higher than level of the education or training they had received.

Most young Malawians rely on informal networks when searching for jobs.

Informal job search methods are significantly more popular than formal ones. Close to one in four of the unemployed youth said they searched for jobs by asking friends, relatives and acquaintances in 2012. In 2014, only about 9.0 per cent of respondents used formal job-searching methods such as place or answer job adverts or take a test or interview, and virtually nobody was registered with an employment centre.

Two-thirds of young Malawians are working, but their quality of employment is often low, which does not allow them (or the country) to make the most of their economic potential.

The majority of young Malawians (70.9 per cent) were employed in 2014, an increase from the 66.5 per cent observed in 2012. More than three-quarters (76.3 per cent in 2014 and 78.4 per cent in 2012) of young Malawians are self-employed. In 2014, self-employment was distributed as follows: 57.6 per cent as own-account workers, 1.7 per cent as employers and 17.0 per cent as contributing family workers. The self-employed, whether own-account workers or employers, face relatively higher economic risks because their remuneration depends on the number of units sold or amount of services rendered.

Wage and salaried workers generally face relatively low economic risks compared with the self-employed and contributing family workers. Youth wage employment in Malawi is low; however, the share of youth in wage and salaried employment slightly increased between 2012 and 2014, from 20.8 per cent to 22.4 per cent.

Informal employment is also a significant concern. In 2014, almost all young workers in Malawi were engaged in informal employment (93.2 per cent). The corresponding for 2012 was 96.4 per cent. At the same time, close to nine out of ten (86.2 per cent in 2014 and 87.4 per cent in 2012) young workers were in irregular work (self-employed or employees with temporary contracts). Low pay is another concern. Over half (58.7 per cent) of employees were taking home less than the average weekly wage.

Agriculture remains the most important employer in the country and many youth, especially young women, work in agriculture.

Employment in agriculture made up the largest share of total youth employment (58.4 per cent), followed by employment in wholesale and retail trade (9.8 per cent) and manufacturing (7.7 per cent). More young females (60.3 per cent) worked in the agricultural sector than young males (56.6 per cent). This pattern is consistent with what was found in the first round SWTS. The dominance of the agricultural sector was also evident in the distribution of young workers by occupation, with nearly a half (49.7 per cent) of young people classified as skilled agricultural or fishery workers. However, the majority of students did not regard agriculture as an attractive option; only 1.6 per cent indicated agriculture as their preferred field of study.

Malawian youth are underutilized and they work few hours per week.

The youth labour underutilization rate is a measure that captures all members of the youth population whose economic potential is not being fully realized, because they either work in non-standard employment arrangements or are classified as neither in the labour force nor in school. The survey found high levels of labour underutilization among young Malawians in both years. Overall, labour underutilization stood at 79.1 per cent in 2012 and went down, albeit slightly, to 77.5 per cent in 2014. In both years, there were more underutilized young women than young men.

Nearly one-third (30.0 per cent in 2014 and 31.9 per cent in 2012) of youth worked less than 10 hours during the reference period, and close to three-quarters (74.9 per cent in 2014 and 71.7 per cent in 2012) worked part time, or fewer than 30 hours per week. The short working hours are a strong indication of the lack of regular jobs and the precariousness of earning options for the occasional worker.

The qualifications mismatch is high and a majority of young workers are undereducated for the work they do.

Qualifications mismatch (whether overeducation or undereducation) can have a negative impact on the productivity of a worker, and thus on the output of an enterprise, but it can also negatively affect the young worker's sense of security. The biggest challenge that Malawi faces is the undereducation of young workers. The Malawi workforce is severely undereducated, with as many as 81.3 per cent of young workers underqualified for the job they are doing. Skilled agricultural workers and professionals had the highest chance of being undereducated (91.0 and 88.5 per cent, respectively).

Few working youth receive employment benefits.

Entitlements and privileges provided by employers ensure conditions for decent work and offer workers some security in times of need. The survey results point to an extremely low provision of employment benefits among working youth. The benefit most commonly provided to young wage or salaried workers was a meal allowance (26.5 per cent in 2014 and 31.8 per cent in 2012). In 2014, only 8.0 per cent of young employees said that they were covered by medical insurance provided by their employer and 9.0 per cent paid into social security.

These figures represent improvements on what was found in 2012, when 5.1 per cent of young employees were covered by medical insurance and 3.1 per cent paid into social security. Another interesting observed improvement related to maternity/paternity leave. In 2012, only 7.1 per cent of young workers received parental leave, but the proportion had almost doubled to 13.2 per cent in 2014. These nonetheless low benefit levels signify that young workers are vulnerable to job loss, since it is very unlikely they would benefit from the protection offered by severance pay or social security.

The majority of youth are in transition, and very few of those who have transited have found stable work.

The majority of young Malawians surveyed were in transition (64.2 per cent in 2014 and 69.3 per cent in 2012). Less than a quarter (21.5 per cent) had transited in 2014, although this was an increase on the 2012 (17.1 per cent). A small minority (14.0 per cent) were yet to start their transitions in 2014 (compared with 13.6 per cent in 2012). The high proportion of youth who were in transition or had transited is a reflection of the low levels of school attendance and elevated school drop-out rates in Malawi.

Among the youth who had completed their labour market transition, only a minority had attained stable employment (29.1 per cent), while the remainder were engaged in what they deemed to be satisfactory self-employment (67.8 per cent) or satisfactory temporary employment (3.2 per cent). Characteristics that are associated to a more successful transition – meaning a greater likelihood of attaining stable employment – are male sex, urban residence and higher household wealth. Young men who had completed their transition to the labour market had a higher likelihood of attaining stable employment than young women (43.0 per cent and 15.6 per cent, respectively). The share of transited youth in stable employment was also significantly higher among youth living in urban areas.

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

Predictably, the higher the educational attainment of youth, the higher their likelihood of finding stable employment. All the youth (100 per cent) with tertiary or post-secondary vocational education had transited to stable employment. Those with secondary-level education had a higher likelihood of attaining stable employment than those with only primary or no education. The transited youth with primary or no education were nearly three times more likely to have transited to satisfactory self-employment or temporary employment than to stable employment.

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 Malawi 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 participants 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. Finally, Section 5 outlines the institutional framework and relevant employment policies in Malawi and concludes with a presentation of policy recommendations.

2. Overview of the labour market and survey methodology

2.1 Socio-economic context

Malawi is a landlocked country in southeastern Africa. It is among the world's least developed and most densely populated countries, with around 86.5 per cent of the population living in rural areas. Like most low-income countries, Malawi has an agriculture-based economy, with the agricultural sector accounting for about 30.2 per cent of gross domestic product (GDP). The agricultural sector is, by far, Malawi's most important contributor to economic growth, contributing about 34 per cent of overall GDP growth (Pauw et al., 2014). However, the importance of agriculture is greater than just its contribution to GDP, since it accounts for 64.1 per cent of employment. The sector is dominated by rain-fed maize and tobacco grown by smallholders (Pauw et al., 2011).

Table 2.1 presents selected economic indicators for Malawi. The economy grew at an average annual rate of 5.6 per cent between 2005 and 2015, although growth has periodically decelerated, for instance between 2011 and 2012 (to an average 2.5 per cent). Given that economic growth has primarily been driven by growth in the agricultural sector, and considering that about 90 per cent of Malawians live in farm households (Benin et al., 2012), it could be expected that this growth would have led to significant reductions in poverty.

Poverty statistics, however, indicate that the high economic growth rates could only translate into marginal poverty reduction. The figures in table 2.1 show that the proportion of people living in poverty in Malawi was 52.4 per cent in 2004, which fell slightly to 50.7 per cent in 2011.[3] Interestingly, the high economic growth rate had contrasting effects on rural and urban poverty. Over the period 2004–2011, the poverty headcount ratio in rural areas increased minimally, from 55.9 per cent to 56.6 per cent, while in urban areas it

[3] Reliable and consistent poverty figures are currently available for the 2004–11 period only.

declined from 25.4 per cent to 17.3 per cent. Ironically, this dismal poverty reduction performance coincided with the Farm Input Subsidy Program (FISP), which every year provides low-cost fertilizer and improved maize seeds to poor smallholders, who are mostly rural based (Chirwa and Dorward, 2013). Implementation of the FISP started in the 2005/06 cropping season, and in the 2012/13 financial year, the programme represented 4.6 per cent of GDP or 11.5 per cent of the total national budget (World Bank, 2013).

Table 2.1 Distribution of total unemployment by selected characteristics, 4Q 2012 (%)

Indicator/area	2005	2010	2015	Average 2005–2015
GDP growth (%)	3.3	6.7	3.0 *(estimate)*	5.6
Poverty headcount ratio (%)				
National	52.4	n.a.	50.7	51.6
Rural	55.9	n.a.	56.6	56.3
Urban	25.4	n.a.	17.3	21.2
Gini coefficient	0.390 *(2004)*	0.461	n.a	

Note: n.a. = data not available.

Sources: NSO, 2015; RBM, 2015, World Bank, 2011, 2015.

Not only did the high economic growth rates fail reduce poverty substantially, they also worsened income inequality. Table 2.1 shows that, nationally, the Gini coefficient increased from 0.390 in 2004 to 0.461 in 2010. The magnitude of the impact of growth on income inequality varied geographically. It was most pronounced in rural areas, which saw the Gini coefficient increase from 0.339 in 2004 to 0.375 in 2011, while the urban Gini coefficient rose from 0.484 to 0.491 over the same period. It can thus be concluded that many people did not benefit from the high economic growth rates achieved by Malawi, suggesting that growth was not inclusive. Furthermore, rural households received fewer benefits from the high economic growth than their urban counterparts.

Malawi has a young population. According to the 2008 population census, about 7 per cent of the total population of Malawi comprises infants aged less than 1 year, 22 per cent are aged under-5 years and about 46 per cent are aged 18 years or older, while a further 4 per cent are aged 65 years or older. The median age of the population is 17 years (NSO, 2009). Between 1998 and 2008, the share of youth in the total population, defined as 15–29, remained stable. In 2008, youth aged 10–29 years constituted 40 per cent of the total population, and youth aged 15–24 years constituted 19 per cent of the total population. The shares in 1998 were similar. There were no significant gender differences in the youth shares for both definitions. Interestingly, the 2008 population census shows that the share of youth (age range 15–24) in urban areas is higher than in rural areas. Specifically, for urban areas it is 23 per cent (distributed as 22 per cent male and 24.6 per cent female), as compared with 18.5 per cent for rural areas (distributed as 17.9 per cent male and 19.1 per cent female).[4]

The 2012 National Population Policy identifies the youthful population as one of the development challenges that Malawi faces (GOM, 2012). It identifies the high dependency ratio as a bottleneck to improving quality of education and health care and accumulating savings for future investments. It further notes that the dependency ratio will reduce if mortality and fertility rates decline, shifting the age structure from being youthful to one dominated by working-age people. Population projections based on the current high fertility rate (about 6 children per woman) show that in 2040 a total of 5.2 million 18–24-year-olds would enter the labour market. In contrast, a scenario based on a low fertility rate (3 children per woman) reduces the number of youth entering the labour market in 2040 to

[4] Author's computations using the 2008 population census.

4.4 million (GOM, 2010). Either way, there will be a significant need to create jobs for the new entrants into the labour market.

2.2 The labour market in Malawi

This section examines Malawi's employment profile by focusing on key labour market indicators, such as labour force participation rates, unemployment rates and the distribution of employment by sector, derived from the 2013 Malawi Labour Force Survey (LFS).[5] Table 2.2 shows the age-, sex- and location-specific participation and unemployment rates. It should be noted that the labour statistics are based on the relaxed definition of the labour force and unemployment.

Table 2.2 Labour force participation and unemployment (relaxed definition) rates, 2013 (%)

Background characteristics	Labour force participation rate			Unemployment rate		
	Total	Male	Female	Total	Male	Female
Malawi	89.4	90.9	88.1	20.4	14.3	25.7
Residence						
Urban	85.4	87.3	83.5	28.2	17.6	39.2
Rural	90.0	91.6	88.7	19.2	13.8	23.9
Age group						
15–19	69.6	68.9	70.2	29.5	28.1	30.7
20–24	90.8	92.3	89.6	25.6	19.3	30.5
25–29	95.1	98.1	92.7	18.7	9.7	26.3
30–34	97.1	99.0	95.5	17.9	10.2	24.9
35–39	95.6	99.4	91.9	13.5	8.3	19.2
40–44	97.2	99.4	95.1	14.6	9	20.3
45–49	96.3	98.1	94.9	13.4	10.6	15.9
50–54	93.6	94.6	92.7	17.8	6.8	26.8
55–59	91.5	95.1	88.5	20.2	13.2	26.3
60–64	86.8	89.4	84.7	23.7	22.1	25
Education level						
None	90.2	91.8	89.1	20.1	14.6	24.2
Primary	86.6	87.4	85.7	21.3	13.4	29.9
Secondary	89.5	92.6	84.8	21.5	16	30.6
Tertiary	94.5	97.1	88.7	13.3	12	16.2

Source: NSO, 2014.

Overall, the labour force participation rate for Malawi was 89 per cent. The rate for males was slightly higher than that for females: 91 per cent for men, compared with 88 per cent for women. Labour force participation in Malawi is spatially differentiated. Rural areas had a higher labour force participation rate (90 per cent) than urban areas (85 per cent). There was a noticeable pattern in labour force participation rates by age. The age group 15–19 had the lowest participation rate, suggesting that a large proportion of young people were economically inactive, possibly attending school. Furthermore, in this (the youngest) age group, females had a higher participation rate than males, while in the oldest

[5] The strict unemployment rate was significantly lower, at 7 per cent. These unemployment figures are higher than those recorded in other household surveys. For instance, the Third Integrated Household Survey (2010/11) put the unemployment rate (broad definition) at 9 per cent (NSO, 2012). Interestingly, however, the labour force participation rate was identical in both surveys, at 89.4 per cent.

age group (60–64), females had a lower participation rate than males. Labour force participation also varied with educational attainment. For individuals with some education, the labour force participation rate was positively correlated with the level of education. Those that had primary education had the lowest rate (87 per cent), and those with tertiary education had the highest rate (95 per cent). Notably, the labour force participation rate for those that had no education was higher than for those with primary or secondary education.

The LFS results also revealed that, at the national level, the employment-to-population ratio (EPR) was 71 per cent (not included in table 2.2). The EPR was higher in rural areas than in urban areas, indicating that persons of working age in rural areas are more likely to be economically active than their counterparts in urban areas. The EPR was higher among males than females. In all age groups except for the age group 15–19, the EPRs fell between 60 per cent and 80 per cent.

The national unemployment rate (relaxed definition) was 20.4 per cent in 2013.[6] A comparison of unemployment rates on the basis of sex indicates that the rate was higher for women than for men. The unemployment rates were 14.3 per cent and 25.7 per cent for males and females, respectively. The unemployment rate for urban areas was higher than that for rural areas; the urban unemployment rate was 28.2 per cent, compared with 19.2 per cent for rural areas.

It is not just own education that determines employment outcomes in Malawi. Mussa (2015) found that for a young person, their mother's level of educational attainment had a statistically significant effect on the likelihood of that young person being in regular wage employment. He also established that a mother's level of education had a significantly larger effect on outcomes for young men than for young women. Furthermore, regardless of sex, a mother's education complements/reinforces the positive effect of a youth's own education on the probability of being in wage employment. This points to the existence of an intergenerational poverty trap; with children of uneducated mothers or mothers with low education finding themselves outside regular wage employment.

Two things are noteworthy with respect to the percentage of youth aged 15–24 who were unemployed. First, the overall youth unemployment rate of 27.5 per cent was higher than that for the whole working-age population (20.4 per cent). This pattern is consistent with findings from other countries, where youth often experience higher unemployment rates. Second, young females were more likely to be unemployed than young males. Specifically, the unemployment rate for young men was 23.8 per cent, compared with 30.6 per cent for young women.

Just like for labour force participation (discussed above), the LFS results suggest there is an association between unemployment and education. The lowest unemployment rates were found among individuals who had completed the highest level of education and those with no education at all.

Fields (2011) argues that in most developing countries, the better jobs (such as jobs that come with social security coverage) are in wage employment, with regular wage jobs being more desirable than casual wage jobs. Because regular wage jobs are better, Fields (2011) argues that everybody in developing countries would like to have a regular wage job. However, in Malawi, wage employment makes up only a small part of the labour market. Only 20.7 per cent of employed persons were in wage employment in 2013. The proportion of men in wage employment was about three times higher than that of women.

[6] The strict unemployment rate was significantly lower, at 7 per cent. It should also be pointed out that these unemployment figures are significantly higher than those recorded in other household surveys. For instance, the Third Integrated Household Survey (2010/11) put the unemployment rate (broad definition) at 9 per cent (NSO, 2012). Interestingly, however, the labour force participation rate was identical in both surveys, at 89.4 per cent.

Specifically, 30.6 per cent of employed men were in wage employment, compared with 10.7 per cent of women.

The LFS results further indicate that the share of women in wage employment was 28.9 per cent; this low means that women were less favourably represented than men in wage employment. Another way to assess the extent of female disadvantage in Malawi is to look at the female share of employment in senior and middle management. People in senior and middle management – corresponding to ISCO-88 categories 11 (legislators and senior officials) and 12 (corporate managers) – are considered to be in high-status occupations. The share of female employment in senior and middle management was just 18.2 per cent; this implies that men dominate high-status occupations in Malawi.[7]

The agricultural sector is not only the backbone of the Malawian economy, it is also the main sector for employment. Table 2.3 shows that the agricultural sector provided 64.1 per cent of all employment in 2013. There was a gender difference, in that the proportion of females employed in agriculture was higher than males (69.9 per cent for females versus 58.5 per cent for males). In rural areas, the majority (70.4 per cent) of employed persons were engaged in agriculture. In contrast, only 16.4 per cent of urban workers were employed in the agricultural sector. The manufacturing sector's contribution to employment was very small: only 4.1 per cent of those working were employed in the manufacturing sector.

Table 2.3 Employment by industry, sex and residence, 2013 (%)

Industry	Malawi	Sex		Residence	
		Male	Female	Urban	Rural
Agriculture, forestry and fishing	64.1	58.5	69.9	16.4	70.4
Mining and quarrying	0.3	0.2	0.3	1.1	0.2
Manufacturing	4.1	4.5	3.6	7.6	3.6
Electricity, gas, steam and air conditioning supply	0.2	0.3	0	0.3	0.2
Water supply, sewerage, waste management and remediation activities	0.2	0.4	0.1	0.6	0.2
Construction	2.6	4.2	1.0	7.2	2.0
Wholesale and retail trade and repair of motor vehicles	16.2	15.1	17.4	32.5	14.1
Transport, storage and communication	2.0	3.8	0.2	5.6	1.6
Accommodation and food services activities	0.7	0.7	0.8	2.4	0.5
Professional, scientific and technical	0.2	0.3	0.1	0.8	0.1
Administrative and support services	0.7	0.8	0.5	3.0	0.4
Public administration and defence	2.0	3.3	0.7	6.7	1.4
Education	2.2	2.8	1.6	4.4	1.9
Human health and social work	1.4	1.6	1.1	2.0	1.3
Other service	1.8	2.6	1.0	4.8	1.4
Activities of households as employers	1.3	0.8	1.7	4.8	0.8

Source: NSO, 2014.

2.3 School-to-work transition survey: Objectives and methodology

The scarcity of labour market information in many countries has meant that the question of why the school-to-work transitions of young people today are long and difficult

[7] Author's computation, based on NSO (2014).

processes 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 the School-to-Work Transition Survey (SWTS), a detailed household survey covering young people aged 15–29 years (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. Funding for the surveys has come 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, with data from the first round made available throughout 2013. A second round of SWTS took place in each of the 28 countries in 2014/15.

Box 1. Definition of youth

In most other contexts, a youth is defined as a person aged between 15 and 24 (United Nations), but 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 in the hope of capturing more information on the post-graduation employment experiences of young people.

The National Statistics Office of Malawi was commissioned to undertake the two rounds of the SWTS in Malawi. The first round was conducted in June 2012 and interviewed 3,102 youth aged 15–29 years. The second round was conducted in 2014, and involved 3,097 youth aged 15–29 years.

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 34 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, Montenegro**, the Republic of Moldova, Serbia**, the Russian Federation, Ukraine;

Latin America and the Caribbean: Brazil*, Colombia*, Dominican Republic**, El Salvador, Jamaica, Peru*;

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

Sub-Saharan Africa: Benin, Liberia, Madagascar, Malawi, the Republic of Congo**, Sierra Leone**, the United Republic of Tanzania*, Togo, Uganda, Zambia.

* One round only in 2012/13; ** One round only in 2014/15.

The standard ILO SWTS questionnaire for youth was adapted to the Malawi country context based on a consultative process between the ILO and the National Statistics Office (NSO). The questionnaires were drafted and administered in both English and Chichewa.[8]

[8] The final questionnaires and micro datasets are available at: www.ilo.org/w4y.

Following a pilot of the SWTS and training sessions for supervisors and enumerators, field data collection for the second round was carried out over 24 days between 4 and 28 September 2014. Interviews were conducted by seven teams, each consisting of four interviewers and one supervisor. Youth aged 15–29 years were surveyed in 31 districts of the country. The overall sample size was 3,097 young people, compared with 3,102 in the 2012 survey.

3. Characteristics of youth in the SWTS sample

3.1 Individual characteristics

This section presents findings on the individual characteristics of youth in Malawi based on the 2014 STWS survey; their educational attainment, current activity status, and aspirations and life goals. The section also includes the characteristics for unemployed youth, youth outside the labour market (inactive youth) and employed youth.

Table 3.1 Individual characteristics of youth, by sex

Selected characteristics	Total		Male		Female	
	Number	%	Number	%	Number	%
Age group						
15-19 years	1 682 841	39.4	823 107	39.6	859 734	39.2
20-24 years	1 407 126	32.9	684 790	32.9	722 336	32.9
25-29 years	1 183 741	27.7	570 886	27.5	612 855	27.9
Area of residence						
Urban	652 581	15.3	300 027	14.4	352 554	16.1
Rural	3 621 127	84.7	1 778 756	85.6	1 842 371	83.9
Marital status						
Single/never married	2 207 487	51.7	1 367 285	65.8	840 202	38.3
Engaged	54 283	1.3	23 985	1.2	30 298	1.4
Married	1 784 763	41.8	647 499	31.1	1 137 263	51.8
Separated/divorced	221 967	5.2	40 014	1.9	181 953	8.3
Widowed	5 209	0.1	0	0.0	5 209	0.2
Main economic activity status						
Employed	3 029 064	70.9	1 573 448	75.7	1 455 616	66.3
Unemployed (strict)	180 431	4.2	76 556	3.7	103 875	4.7
Inactive (strict)	1 064 213	24.9	428 780	20.6	635 433	29.0
Total youth population	4 273 708	100.0	2 078 783	100.0	2 194 925	100.0

Source: SWTS-Malawi, 2014.

Area of residence

Table 3.1 indicates that 84.7 per cent of the youth in the sample resided in rural areas. A higher proportion of young men (85.6 per cent) resided in rural areas than young women (83.9 per cent).

Age groups

Table 3.1 shows the distribution of youth by sex, age group, area of residence and marital status, as identified by the SWTS. The total number of youth, defined as the

population aged 15–29, in 2014 was 4,273,708. A majority (39.4 per cent) of the sampled youth were teenagers aged 15–19. There was a slightly larger share of young men among the younger age band (15–19) and a higher share of young women among the upper age band (25–29).

Marital status

Table 3.1 shows that 51.7 per cent of the sampled youth were single or had never married. An interesting picture emerges when one looks at the gender dimension of marital status. The majority of young women, 51.8 per cent, were married, while only 31.1 per cent of young men were married. Young men were overrepresented among the youth who were single or had never married: 65.8 per cent of young men fell in this group, while only 38.3 per cent of young women were single or had never married.

Activity status

In terms of the activity status of the sampled youth, Table 3.1indicates that 75.7 per cent of young men and 66.3 per cent of young women were employed. In terms of inactivity, the results show that 29.0 per cent of female youth were inactive, as compared with 20.6 per cent of male youth. A more detailed discussion of youth characteristics based on economic activity status is provided in sections 3.3 to 3.7.

Mobility

In order to determine the extent of youth internal and external migration, the survey asked respondents whether they had always lived in the current locality. The results revealed an interesting rural/urban difference in migration patterns; 54.3 per cent and 40.8 per cent of the youth indicated that they had originally migrated from a rural area or an urban area (defined as small town, metropolitan and large city), respectively (see Table A.1). This represents high levels of internal migration and, in particular, rural to urban migration. In terms of reasons for migration, the results showed that 51.6 per cent had migrated to accompany their family, 9.2 per cent for education/training, and 16.2 per cent for work/employment-related reasons. Young females were almost twice as likely as young men to have migrated for family reasons.

3.2 Educational attainment

Low levels of educational attainment are widely considered to be a major impediment to economic growth, employment creation and the eradication of poverty in sub-Saharan Africa (Glick and Sahn, 2000). This is because low levels of education make it more difficult for individuals to take advantage of opportunities offered by a globalized economy, where liberalization and educational expansion can either reinforce each other, in a virtuous cycle, or lead to a stagnation (Kim and Kim, 2000).

This section presents a trend analysis of the levels of education completed by youth, by comparing the differences between rounds one and two of the SWTS. It should, however, be noted that there were some differences in the classification of completed education between the two rounds; round one did not distinguish between secondary and post-secondary vocational education, and round two did not differentiate between tertiary and university education. Consequently, meaningful intertemporal comparisons can only be made with respect to the no primary/no education category.

3.2.1 Educational attainment by sex and area of residence

Table 3.2 presents results for the 2014 SWTS, while the results for the first round (2012) are reported in Table A.2. Despite the introduction of free primary education in Malawi in 1994, a large proportion of youth (54.2 per cent in 2012 and 47.0 per cent in 2014) had not completed primary level education or had received no schooling. Between the two years under review, the proportion of youth with less than primary-level education or no schooling decreased by 7.2 percentage points. In both years, more young women than young men had less than primary-level education, and there were higher shares of young men than young women with education at the secondary and tertiary levels. For example, in 2012, 18.5 per cent of young men had completed secondary education, compared with only 11.6 per cent of young women.

Although there was some improvement over the two-year period, rural youth relative to their urban counterparts still had unfavourable educational outcomes. Specifically, 61.0 per cent and 49.3 per cent of youth in rural areas in 2012 and 2014, respectively, had received no education, compared with only 32.0 per cent in 2012 and 33.0 per cent in 2014 in urban areas. A significant feature of youth educational outcomes in Malawi was the small number of youth engaged in vocational training. The share of youth with secondary or higher level vocational education or training was 2.2 per cent in 2014, an increase from 0.2 per cent in 2012.

Table 3.2 Distribution of completed education level of youth

Education level	Total		Male		Female		Urban		Rural	
	Number	%	Number	%	Number	%	Number	%	Number	%
Less than primary (including no schooling)	1 370 118	47.0	555 105	42.7	815 014	50.6	135 026	33.0	1 235 092	49.3
Primary	1 062 963	36.5	474 574	36.5	588 389	36.5	130 795	31.9	932 167	37.2
Vocational (secondary)	38 643	1.3	23 608	1.8	15 035	0.9	12 142	3.0	26 501	1.1
Secondary	392 345	13.5	210 949	16.2	181 396	11.3	110 579	27.0	281 765	11.3
Post-secondary vocational	26 117	0.9	20 757	1.6	5 361	0.3	8 111	2.0	18 006	0.7
Tertiary	22 404	0.8	15 372	1.2	7 033	0.4	13 059	3.2	9 346	0.4
Total	2 912 590	100.0	1 300 363	100.0	1 612 227	100.0	409 713	100.0	2 502 878	100.0

Source: SWTS-Malawi, 2014.

3.2.2 Education of youth and their parents

Table 3.3 shows the education levels of the youth surveyed and those of their parents; 47.0 per cent of interviewees said they had less than primary level education, and 45.9 per cent and 64.2 per cent said their fathers and mothers, respectively, had less than primary level education. Thus, more youth had no education compared with their fathers. A similar pattern was observed in 2012, when 54.2 per cent of youth, 41.8 per cent of their fathers and 64.7 per cent of their mothers had less than primary level education (see Table A.3). This finding suggests there is weak educational mobility among youth in Malawi.

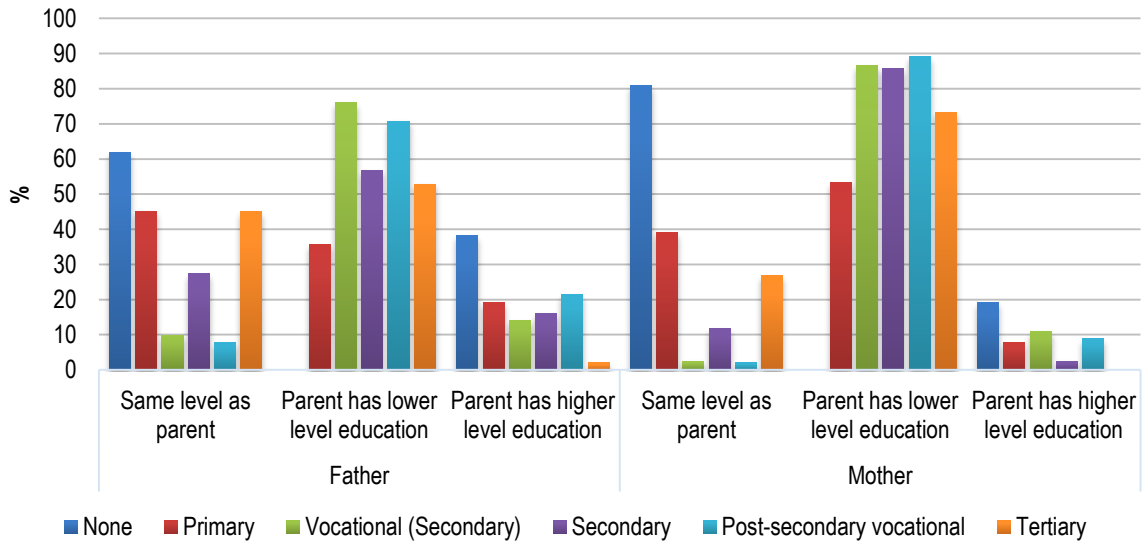
Table 3.3 Level of completed education of youth and youth's parents (%)

Level of education	Youth	Father	Mother
Less than primary (including no schooling)	47.0	45.9	64.2
Primary	36.5	31.3	27.5
Vocational (secondary)	1.3	1.9	0.5
Secondary	13.5	10.3	4.4
Post-secondary vocational	0.9	1.4	0.2
Tertiary	0.8	2.1	0.6
n.a.	0.0	7.1	2.7
Total	100.0	100.0	100.0

Source: SWTS-Malawi, 2014.

Figure 3.1 shows the intergenerational comparison of education levels for 2014 clearly; 61.9 per cent and 80.9 per cent of youth whose fathers and mothers, respectively, had no education also had no education. Although the pattern is similar to that observed in 2012, the levels were lower in 2012. Specifically, findings from the first round SWTS indicated that among youth with no education, 56.3 per cent and 78.2 per cent had fathers or mothers, respectively, who had no education. All this means that young men and women in Malawi whose parents are not educated are more likely to be uneducated themselves. This points to the existence of an intergenerational persistence of low education outcomes. In contrast, and looking at the results for 2014 (Figure 3.1), the majority of youth who had completed secondary school or higher, including post-secondary vocational education, attained a higher level of education than their parents. The first round SWTS also showed a similar picture.

Figure 3.1 Level of completed education, youth and their parents



Source: SWTS-Malawi, 2014.

3.2.3 Early school leaving

Interviewees who left school early were asked about the reasons why they stopped schooling. The findings are shown in Table 3.4. The table shows that in both 2012 and 2014, poverty was a major factor in why youth dropped out of school in Malawi. There was a slight difference in the role of poverty between the two years. Overall, 56.6 per cent and 57.2 of early leavers left school for economic reasons in 2012 and 2014, respectively. In both years, young men were more likely than young women to cite economic reasons

for dropping out of school. Interestingly, there was a substantial increase in the proportion of young females who left school because they wanted to get married; from 8.2 per cent in 2012 to 23.4 per cent in 2014.

Table 3.4 Share of early school leavers by reason for leaving school and sex (%)

Reason	2012			2014		
	Male	Female	Total	Male	Female	Total
Failed exams	4.3	3.7	3.9	1.8	3.4	2.7
Not interested	14.9	16.0	15.6	16.1	13.4	14.5
Wanted to start working	1.1	0.4	0.6	2.2	0.7	1.3
Wanted to get married	2.3	8.2	5.9	2.0	23.4	14.4
Parents did not want	5.7	3.6	4.4	2.9	2.5	2.7
Economic reasons	65.6	51.8	57.2	68.5	47.9	56.6
No school nearby	0.8	1.0	0.9	0.9	1.5	1.3
Other	5.3	15.3	11.4	5.6	7.1	6.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: SWTS-Malawi, 2012, 2014.

3.2.4 Current students

At the time of the two surveys, close to one-third of the Malawian youth population was currently in school (31.8 per cent in 2014 and 36.2 per cent in 2012). The surveys asked current students to identify their preferred field of study. Owing to differences in classification of preferred field of study, only findings from the second round SWTS are reported (Table 3.5). Overall, the most preferred field was general programmes, which was preferred by 55.8 per cent of sampled youth. The least preferred field of study was agriculture (1.6 per cent). This is noteworthy considering that Malawi's economy is based in agriculture. Agriculture was also the least preferred field of study in the 2012 SWTS.

Table 3.5 Preferred field of study of current young students by sex (%)

Field of study	Total	Male	Female
General programmes	55.8	55.8	55.7
Education	9.3	10.2	8.1
Humanities and arts	2.3	2.1	2.5
Social sciences, business and law	2.9	2.8	3.0
Science, mathematics and computing	4.9	4.9	4.9
Engineering, manufacturing and construction	3.9	5.6	1.6
Agriculture and veterinary	1.6	1.6	1.7
Health and welfare	14.7	11.5	19.1
Other services	4.6	5.5	3.3
Total	100	100	100

Source: SWTS-Malawi, 2014.

There are notable gender differences in the preferred fields of study; more young men than young women preferred education (10.2 per cent and 8.1 per cent, respectively) and engineering, manufacturing and construction (5.6 per cent and 1.6 per cent, respectively). By contrast, more young women than young men preferred social sciences, business and law (3.0 per cent and 2.8 per cent, respectively), humanities and arts (2.5 per cent and 2.1 per cent, respectively) and health and welfare (19.1 per cent and 11.5 per cent, respectively). The dominance of engineering among young men and health and welfare

among young women simply reflects traditional gender-based stereotypes on "appropriate" sectors for men and women in Malawi.

3.2.5 Educational attainment and activity status

Table 3.6 shows the relationship in 2014 between the current economic activities of youth who were no longer enrolled in education and their level of educational attainment. For all categories of economic activity (employed, unemployed and inactive), the largest proportion of youth had less than primary education. The share was highest for inactive youth (63.3 per cent) and lowest for employed youth (45.6 per cent). Although the pattern is similar to that observed in first round of the SWTS, there had been a significant change in the levels as compared with the earlier findings. In 2012, the proportion of inactive youth with no education was lower (52.6 per cent), but it was higher for the employed youth (51.6 per cent) (Table A.4).

Table 3.6 Level of completed education of youth by main economic activity status (%)

Education level	Employed	Unemployed	Inactive
Less than primary (including no schooling)	45.6	46.3	63.3
Primary	37.7	34.7	26.3
Vocational (secondary)	1.4	0.9	1.6
Secondary	13.3	17.2	8.9
Post-secondary vocational	1.1	0.3	0.0
Tertiary	0.9	0.7	0.0
Total	100	100	100

Source: SWTS-Malawi, 2014.

3.2.6 Household financial situation and the education of the youth

Findings from both rounds of the SWTS show that household economic status is a determinant of schooling for youth in Malawi. Table 3.7 shows that in 2014, 41.1 per cent of youth who lived in fairly poor households had no education, while less than one-third of well-off youth had no education. This pattern was also observed in the first round of SWTS; 48.2 per cent of the youth from poor households had no education compared with 35.1 per cent from well-off households. This shows that there is a positive relationship between household income and better schooling outcomes among young Malawians. However, regardless of household wealth, the share of youth with no education continues to be far too high in the country.

Table 3.7 Household income level and level of completed education (%)

Education level	Well off	Fairly well off	Around the average	Fairly poor
Less than primary (including no schooling)	31.7	61.7	22.6	41.1
Primary	66.6	19.7	39.2	40.5
Vocational (secondary)	0.0	0.8	3.1	1.3
Secondary	1.7	15.5	29.7	15.1
Post-secondary vocational	0.0	0.3	3.6	1.1
Tertiary	0.0	2.1	1.8	0.8
Total	100.0	100.0	100.0	100.0

Note : Household income levels are based on the perception of the young respondent.
Source: SWTS-Malawi, 2014.

3.3 Current activity status of youth

The traditional classification of current activity status has three categories: employed, unemployed and inactive. The employed and unemployed are added together to get the total labour force. The survey results indicate there were some improvements between the two rounds of SWTS (Table 3.8): in 2012, 66.5 per cent of youth surveyed were employed and 5.6 per cent were unemployed (strict definition), for a total youth labour force participation rate of 72.1 per cent; while in 2014, 70.9 per cent of the youth surveyed were employed and 4.2 per cent were unemployed, for a total youth labour force participation rate of 75.1 per cent. In both years, the percentage of young males employed was higher than that of young females. In terms of activity, 27.9 per cent of the youth were inactive in 2012, and this declined to 24.9 per cent in 2014. Although inactivity decreased over the period under review, young females remained more likely than young males to be inactive.

Table 3.8 Key youth labour market indicators (traditional) by sex (%)

Indicator	2012			2014		
	Total	Male	Female	Total	Male	Female
Employed	66.5	73.2	60.3	70.9	75.7	66.3
Unemployed (strict)	5.6	4.3	6.8	4.2	3.7	4.7
Inactive	27.9	22.5	32.9	24.9	20.6	29.0
Total	100	100	100	100	100	100
Labour force participation rate	72.1	77.5	67.1	75.1	79.4	71.0

Source: SWTS-Malawi, 2012, 2014.

Within the SWTS framework, the ILO uses a more detailed classification of youth employment to reflect areas of underutilization and the quality of employment.[9] The SWTS framework distributes the youth population into four main categories (with a further subdivision of inactive youth) as follows:

- *Regularly employed*, defined as wage and salaried workers holding a contract of employment with a duration of greater than 12 months, plus self-employed youth with employees (employers).

- *Irregularly employed*, 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.

- *Unemployed (relaxed definition)*, defined as persons currently without work and available to take up work in the week prior to the reference period. [10]

[9] The SWTS analytical framework was designed with an eye on the current efforts to adapt the international framework for statistics on the economically active population. The International Conference of Labour Statisticians (ICLS), held in Geneva in October 2013, adopted the "Resolution concerning statistics of work, employment and labour underutilization". The resolution provides guidelines on a wider set of measures than previously defined internationally, aiming specifically to enable better statistical measurement of participation of all persons in all forms of work and in all sectors of the economy while also enabling measurement of areas of labour underutilization. See ICLS (2013).

10 Unemployment as defined according to the 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 and the "strict" definition is in the relaxation of the "seeking work" criterion (c).

- *Inactive*, which is further divided into two sub-categories: those who are inactive and in school ("inactive students") and those who are inactive and not in school ("inactive non-students"). The inactive students are considered to be investing in their education so that they will be better equipped for their future labour market experience. Hence, this can tentatively be judged as a "positive" category (notwithstanding issues of skills mismatch). The inactive non-students have chosen to be outside of the labour market for reasons other than schooling (to engage in household duties or to care for children, for example) and they may or may not have the intention to (re)enter the labour market in the future (although further SWTS data analyses show that a majority of inactive non-students do state an intention to join the labour market in the future in most countries). Those who say they intend to work in the future have some degree of labour market attachment and should thus be considered in the classification of labour (under)utilization.

Table 3.9 shows the shares of surveyed youth in 2012 and 2014 in each category. In both years, regular employment had a smaller share than irregular employment. The share of youth in regular and irregular employment rose from 8.1 per cent and 58.1 per cent, respectively, in 2012 to 9.3 per cent and 61.1 per cent, respectively, in 2014. The gender gap that could be seen in irregular employment in 2012 (61.8 per cent for young men versus 54.7 per cent for young women) had closed significantly in 2014 (60.7 per cent for young men versus 61.5 per cent for young women). The level of activity (inactive students and inactive non-students) also went down, but only slightly, from 18.0 per cent in 2012 to 17.9 per cent in 2014.

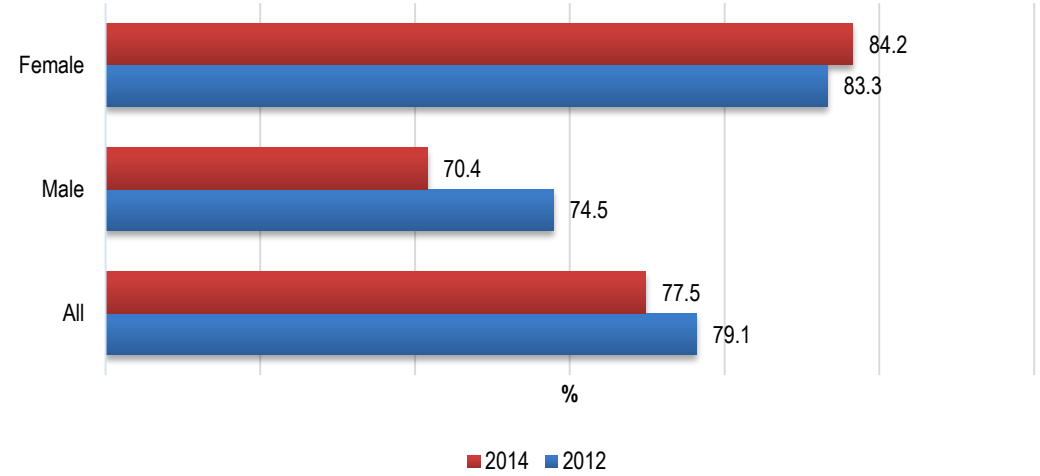
Table 3.9 Distribution of youth population according to the SWTS framework (%)

Indicator	2012			2014		
	Total	Male	Female	Total	Male	Female
Regularly employed	8.1	11.1	5.4	9.3	14.2	4.7
Irregularly employed	58.1	61.8	54.7	61.1	60.7	61.5
Unemployed (relaxed)	15.5	10.5	20.1	11.3	7.2	15.1
Inactive	18.0	16.3	19.5	17.9	17.1	18.6
Total	100	100	100	100	100	100

Source: SWTS-Malawi, 2012, 2014.

The youth labour underutilization rate is a measure that captures all elements of the youth population whose economic potential is not being fully realized, because they either work in non-standard employment arrangements or are classified as neither in the labour force nor in school. Combining the shares of youth irregularly employed and unemployed (relaxed definition) with inactive non-students, as a percentage of the youth population, gives the youth labour underutilization rate. Figure 3.2 illustrates trends in labour underutilization. Both rounds of SWTS found high levels of labour underutilization among young Malawians. Overall, labour underutilization stood at 79.1 per cent in 2012, and went down, albeit slightly, to 77.5 per cent in 2014. In both years, there were more underutilized young women than young men.

Figure 3.2 Youth labour underutilization by sex (%)

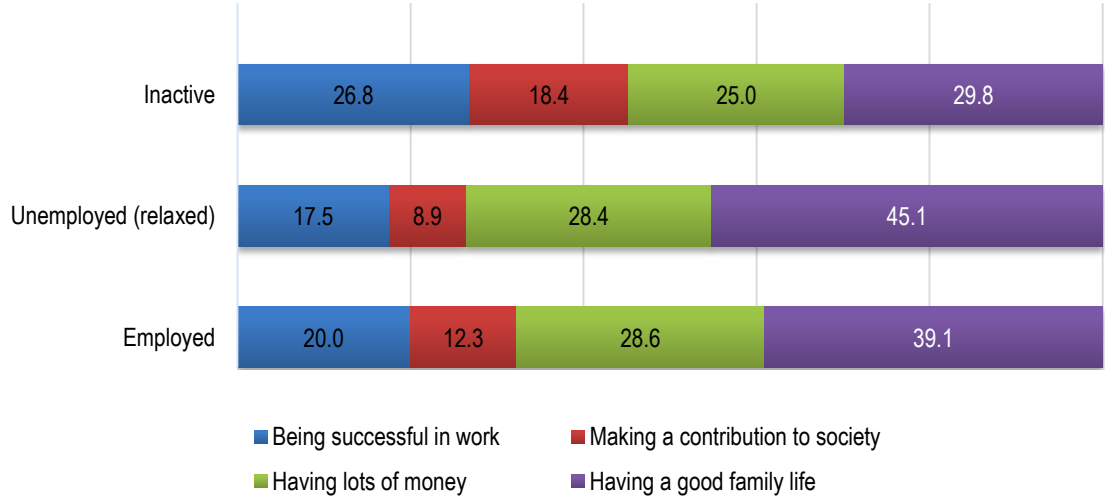


Source: SWTS-Malawi, 2012, 2014.

3.4 Aspirations and life goals

The SWTS captures the aspirations of young people in four main areas: being successful at work, making a contribution to society, having lots of money and having a good family life. Figure 3.3 shows the life goals for youth by current activity status. Irrespective of activity status, the primary life goal of young respondents was to have a good family life. Being successful at work was the primary life primary goal of 26.8 per cent of the inactive youth, strengthening the assertion that dignity is achieved through work. Interestingly, many employed youth (28.6 per cent) choose having a lot of money as their goal. On the face of it, this may appear materialistic but, given the high levels of poverty in Malawi mentioned earlier, this aspiration may be justified.

Figure 3.3 Life goals and aspirations of youth by main economic activity status (%)



Source: SWTS-Malawi, 2014.

3.5 Characteristics of employed youth

3.5.1 Status in employment

The categorization of status in employment is important because 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 with 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 and 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 they sell or amount of services they render. Their incomes are subjected 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 (Shehu and Nilsson, 2014).

Table 3.10 Employed youth by status in employment and sex (%)

Employment status	2012			2014		
	Total	Male	Female	Total	Male	Female
Wage or salaried worker (employee)	20.8	25.5	15.5	22.4	32.5	11.6
Employer	1.9	2.2	1.5	1.7	1.8	1.5
Own-account worker	61.0	56.1	66.5	57.6	49.6	66.2
Member of cooperatives	0.4	0.4	0.3	0.7	1.1	0.2
Contributing (unpaid) family workers	15.5	15.3	15.8	17.0	14.4	19.9
Not classifiable by status	0.5	0.5	0.5	0.6	0.7	0.5
Total employed youth	100.0	100.0	100.0	100.0	100.0	100.0

Source: SWTS-Malawi, 2012, 2014.

Table 3.10 shows the status in employment for the first and second rounds of SWTS. As would be expected in a developing country like Malawi, in both years more than three-quarters (76.3 per cent in 2014 and 78.4 per cent in 2012) of young Malawians were self-employed. For 2014, self-employment was distributed as follows: 57.6 per cent as own-account workers, 1.7 per cent as employers and 17.0 per cent as contributing family workers. In terms of sex, a higher proportion of young females were in self-employment than young males (87.6 per cent and 65.8 per cent, respectively). For both survey years, wage and salaried employment was the second most common form of employment among young Malawians. Furthermore, the share of youth in wage and salaried employment increased slightly between 2012 and 2014, from 20.8 per cent to 22.4 per cent. In both SWTS rounds, a higher proportion of young men (32.5 per cent in 2014 and 25.5 per cent in 2012) than young women (11.6 per cent in 2012 and 15.5 per cent) were in wage and salaried employment.

3.5.2 Education and status in employment

Table 3.11 shows the relationship between educational attainment and wage and salaried employment versus self-employment for 2014. There were more educated youth among those in wage or salaried employment than among those in self-employment. This positive relationship between educational attainment and wage or salaried employment was more pronounced at the top end of the education distribution. For instance, 6.5 per cent of the youth surveyed who were in wage or salaried employment had completed post-secondary vocational or tertiary education, while the corresponding for the self-employed was only 0.8 per cent. This is similar to what was observed in the first round SWTS; 4.1

per cent of the youth who were in wage or salaried employment and 0.7 per cent of those who were self-employed had completed university or other tertiary education.

Table 3.11 Wage and salaried workers and self-employed by level of completed education (%)

Educational level	Wage and salaried workers (employees)	Self-employed*
Less than primary (including no schooling)	42.4	47.5
Primary	32.1	39.1
Vocational (Secondary)	1.1	1.5
Secondary	18.0	11.2
Post-secondary vocational	2.9	0.7
Tertiary	3.6	0.1
Total	100.0	100.0

Note: *Self-employed includes employers, own-account workers and contributing family workers.

Source: SWTS-Malawi, 2014.

3.5.3 Benefits

Table 3.12 gives a summary of entitlements and privileges provided by employers to young employees in 2012 and 2014. These benefits ensure conditions for decent work and also offer workers some security in times of need. The results point to an extremely low provision of benefits. The most common benefit provided to young wage or salaried workers was a meal allowance (26.5 per cent in 2014 and 31.8 per cent in 2012). In 2014, only 8.0 per cent of young employees said their employer provided medical insurance cover and 9.0 per cent paid into social security.

Table 3.12 Benefits and entitlements of young wage and salaried workers (%)

Benefit/entitlement	2012	2014
Transport or transport allowance	8.5	12.5
Meals or meal allowance	31.8	26.5
Annual paid leave	9.3	14.3
Paid sick leave	11.8	15.3
Pension/ old age insurance	8.3	12.8
Severance/ end of service payment	6.1	13.3
Overtime pay	10.0	11.9
Medical insurance coverage	5.1	8.0
Bonus/ reward for good performance	7.7	12.7
Social security contribution	3.1	9.0
Educational or training courses	6.9	13.6
Occupational safety/ protective equipment or clothing	6.6	16.4
House/ car loan	1.7	n.a.
House/ car allowance	1.3	n.a.
Childcare facilities	n.a.	3.9
Maternity / paternity leave	7.1	13.2

Note: n.a. = data not available.

Source: SWTS-Malawi, 2012, 2014.

These figures represented improvements on what was found in 2012, when 5.1 per cent of young employees had medical insurance cover and 3.1 per cent paid into social security. Another interesting improvement was observed regarding maternity/paternity leave. In 2012, only 7.1 per cent of young workers took maternity/paternity leave, but the

number had almost doubled to 13.1 per cent in 2014.[11] Nonetheless, the low levels of benefit provision shown in table 15 indicate that young workers are vulnerable. For instance, if they were to lose their job, very few young workers would benefit from the protection offered by severance pay or social security.

3.5.4 Earnings

Table 3.13 shows the average earnings of young Malawians by sex and education level from the second round SWTS. Generally, young men earn more than young women, although there was some variation across levels of education and employment status. The average wage of a young wage or salaried worker was MK32,442 (MK21,571 for young women and MK36,185 for young men).[12] Another important finding was the wage premium that comes with increased education. For example, the average wage of young male employees with tertiary education was 12 times greater than that of young male employees with no education. Similarly, for young female employees, there was an eightfold advantage to gaining a tertiary qualification. The first round SWTS also showed that, regardless of sex, tertiary education in Malawi offers a significant earnings benefit.

Table 3.13 Average monthly income by sex and educational attainment (in Malawian kwacha)

Education level	Young wage and salaried workers			Young self-employed		
	Total	Male	Female	Total	Male	Female
Less than primary (including no schooling)	22 711	26 951	13 701	6 269	8 174	4 940
Primary	22 506	24 841	11 676	11 504	17 211	7 369
Vocational (secondary)	12 239	14 069	9 484	13 002	11 722	16 177
Secondary	26 988	27 768	24 612	18 298	25 426	11 668
Post-secondary vocational	60 879	48 583	110 867	–	–	–
Tertiary	250 868	319 754	106 084	–	–	–
Average	32 442	36 185	21 571	9 772	13 862	6 697

Note: – = data not reliable due to insignificant sample size.
Source: SWTS-Malawi, 2014.

3.5.5 Self-employed youth

In both rounds of SWTS, self-employed youth were asked to indicate what motivated them to choose self-employment (Table A.5). There were small differences in the reasons given between 2012 and 2014. In 2012 the dominant reason was greater independence (35.5 per cent), but in 2014 the major reason was that they could not find wage or salaried employment (31.7 per cent), followed closely by greater independence (30.7 per cent). These small differences notwithstanding, the findings suggest that self-employment by choice and self-employment by necessity are almost equally prominent in Malawi.

[11] Legally speaking Malawi only has maternity leave and not paternity leave. The doubling of young employees taking parental leave is interesting given that the government has not introduced any special policy measures incentivizing parental leave since the first survey. It should be noted, however, that although unemployment disfavours young females more than males, the decline in unemployment since the first survey was much larger for young females. The entry of more young females into employment may partly explain the increase in parental leave.

[12] The UN operational exchange rate in September 2014 (at the time of the survey fieldwork) was US$1 = 395 Malawian kwacha. The average wage of a young employee in Malawi was therefore the equivalent of US$82.10 per month. The male tertiary graduate working in paid employment earned the equivalent of US$809.50 per month compared with US$268.60 for a young female tertiary graduate.

In terms of sources of funding for starting their business, the second round results showed that 28.8 per cent of young employers and own-account workers said that no money was needed, 38.8 per cent said they used their own savings to start their business, and 23.5 referred to their friends and families as a source of capital (Table A.6). Only about 3.3 per cent of young employers and own-account workers received their financing from the formal banking system, i.e. microfinance institutions and commercial banks. This pattern is consistent with the findings from the first round SWTS. These findings point to the extent and magnitude of financial exclusion in Malawi, and to the need to expand the availability of financial services to young workers in Malawi.

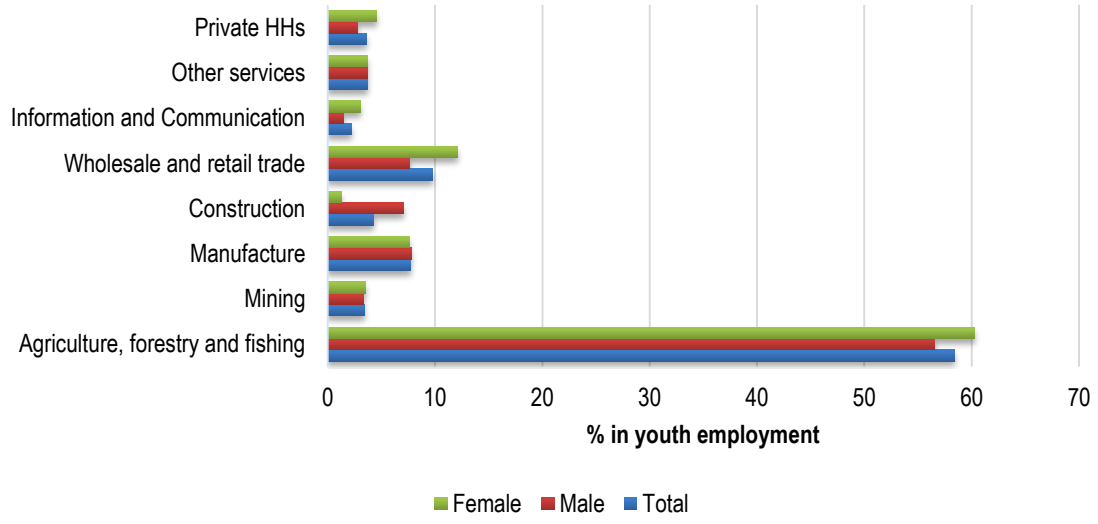
In both rounds of the SWTS, young Malawians who were employers or own-account workers earned much less on average than their counterparts in wage or salaried employment. The second round survey results (Table 3.13) show that the average earnings per month for those in wage or salaried employment were three times higher than for the self-employed (at MK9,772 for the self-employed, compared with MK32,442 for those in wage or salaried employment). A similar level of wage employment advantage was also found in 2012. Like for the wage and salaried workers, earnings for the self-employed increase with higher levels of educational attainment. For example, the average earnings of a young self-employed worker with secondary education was MK18,298 in 2014, while it was MK6,269 for a young self-employed worker with no education.

3.5.6 Sector and occupation of employed youth

Sectoral distribution

In terms of the distribution of youth employment by aggregate sector in Malawi, the second round survey results indicated that 58.4 per cent of employment was in the agricultural sector (including forestry and fishing), 26.2 per cent in the services sector and 15.5 per cent in the industrial sector. The ranking of the sectors, and particularly the dominance of agriculture, was consistent with findings from the first round SWTS, and was also in line with findings from the Malawi Labour Force Survey.

Figure 3.4 Youth employment by 1-digit sector and sex



Note: Only sectors with a share of total employment greater than 2 per cent are shown.
Source: SWTS-Malawi, 2014.

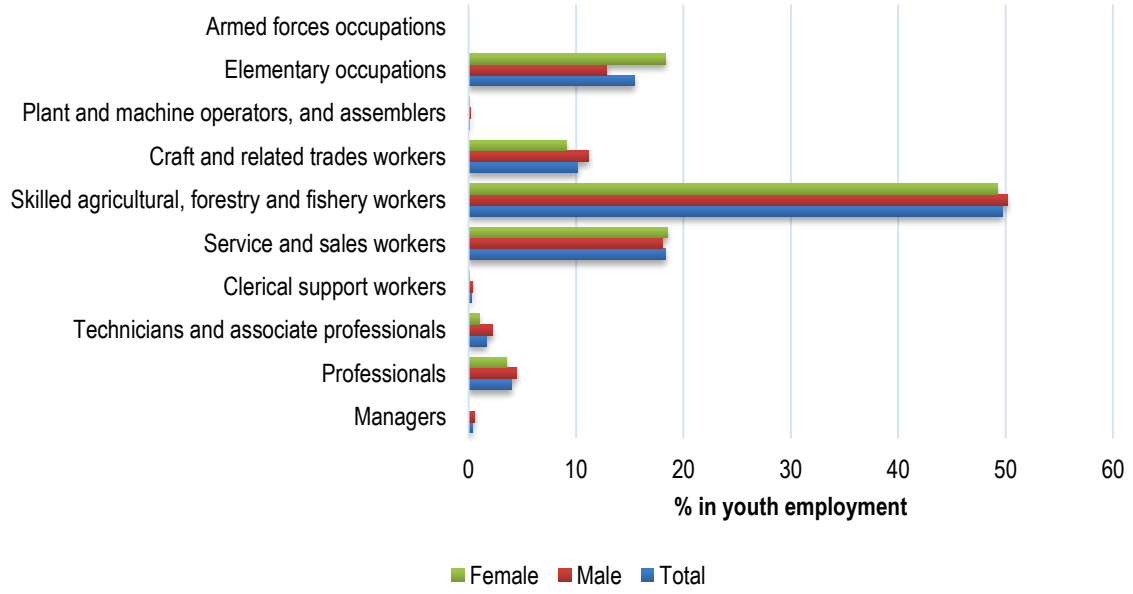
Figure 3.4 shows the sectoral distribution of youth employment by sex. A higher proportion of young females (60.3 per cent) worked in the agricultural sector than young males (56.6 per cent). Young women were also more likely than young men to work in

wholesale and retail trade (12.6 per cent and 7.1 per cent, respectively) and to be engaged in domestic work in a private household (4.5 per cent and 2.7 per cent, respectively). In contrast, young men were more likely to be found in the manufacturing sector, and in construction, transportation and education. These findings were in line with those from the first round of the SWTS. This employment pattern reinforces earlier evidence that the employment choices of youth in Malawi follow traditional gender stereotypes.

Occupational distribution

Figure 3.5 shows the occupations of youth grouped by the International Standard Classification of Occupations (ISCO). Overall, the survey results showed that 49.7 per cent of employed youth engaged in skilled agricultural, forestry or fishery work. This was followed by service workers and shop and market sales workers (18.3 per cent), those in elementary occupations (15.5 per cent) and crafts and related trade workers (10.2 per cent). Of note is the finding that the share of young managers and professionals came to less than 1 per cent of all employed youth in the sample. Similarly to the findings from the first round SWTS, young men had a higher tendency than young women to engage in plant and machine operations and crafts-related work.

Figure 3.5 Employed youth by occupation (ISCO-08) and sex

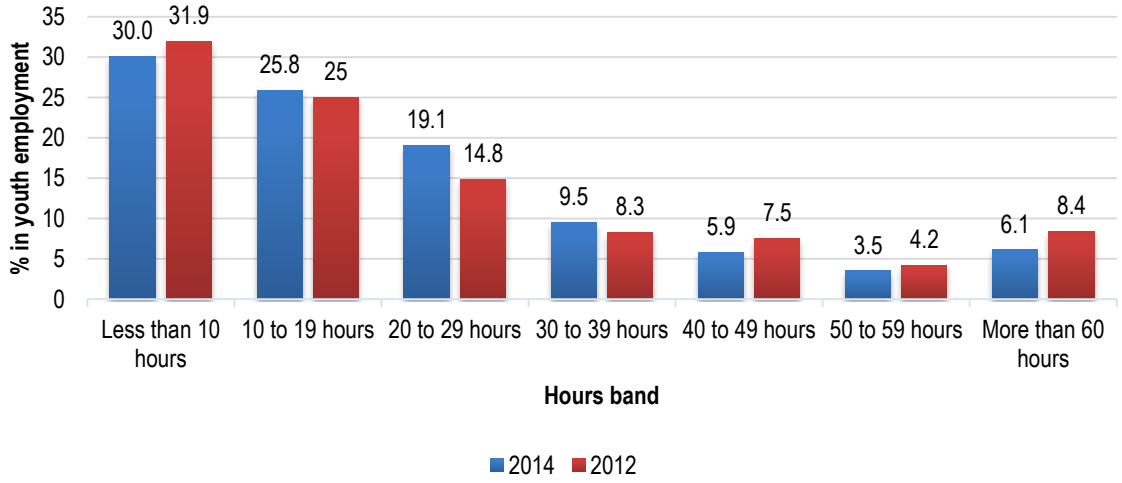


Source: SWTS-Malawi, 2014.

3.5.7 Hours of work

Figure 3.6 shows the number of hours worked per week by young Malawians in 2012 and 2014. The pattern was the same across the two surveys. Of particular importance were the very short working hours; nearly one-third (30.0 per cent in 2014 and 31.9 per cent in 2012) of youth worked less than 10 hours during the reference week, and close to three-quarters (74.9 per cent in 2014 and 71.7 per cent in 2012) worked part time, or less than 30 hours per week. The short working hours are a strong indication of the lack of regular jobs and the precariousness of employment for occasional workers. 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 it is more likely that the short hours recorded were all that was available to many young workers.

Figure 3.6 Employed youth by actual hours worked per week



Source: SWTS-Malawi, 2012, 2014.

3.5.8 Other job quality indicators

The SWTS data enable the measurement of the quality of the jobs to which young people have access. Figure 3.7 summarizes the indicators of quality from the second round SWTS. It shows five quality indicators:

- the share of own-account workers and paid employees with below-average weekly wages or income[13] (poorly paid);
- the share of overeducated or undereducated workers[14] (qualifications mismatch);
- the share of workers with a contract duration of less than 12 months, own-account workers and contributing family workers[15] (irregular employment);
- the share of workers in informal employment[16] (informal employment); and
- the share of workers who claim dissatisfaction with their current job (non-satisfactory employment).

The blue bars in Figure 3.7 represent the shares of better-quality employment based on above-average wages, qualifications, stability, formality (security) and satisfaction. The red bars represent low-quality work. Unfortunately, more red than blue appears in the

[13] 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 were excluded from the calculation.

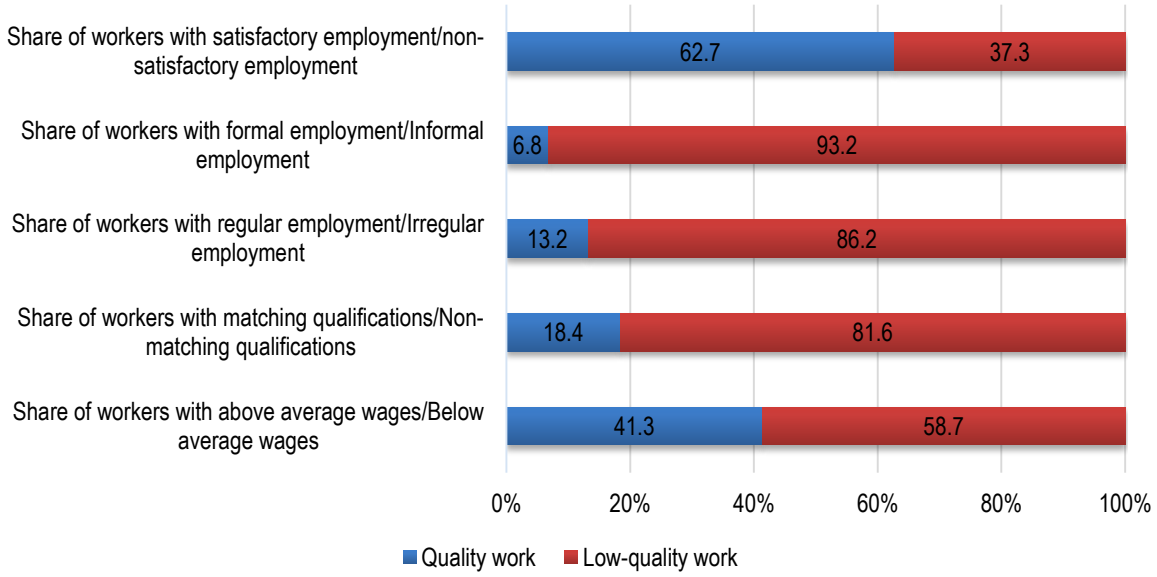
[14] The methodology applied was that of the normative ISCO-based approach described later in this section. Table 3.14 provides the norms across ISCO and ISCED educational codes.

[15] Persons not classifiable by status in employment were included in the irregular employment category.

[16] 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 and 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.

chart, which indicates there are numerous issues of concern regarding the quality of available work for youth in the country. Low pay is one issue. Over half (58.7 per cent) of young workers were taking home less than the average hourly wage; although this represented a substantial drop from the 74.6 per cent found in the first round SWTS. At the same time, 86.2 per cent of young workers were in irregular work (self-employed and employees with temporary contracts). The temporary nature of their contract or the sporadic nature of self-employment are likely to have affected the sense of security and well-being of these youth.

Figure 3.7 Indicators measuring quality of youth employment



Source: SWTS-Malawi, 2014.

Informal employment is also a major concern. Almost all young workers surveyed were engaged in informal employment (93.2 per cent). The corresponding for 2012 was 96.4 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. Employees in the latter category do earn a salary, but they do not receive the other benefits that would normally be associated with a formal job, such as social security contributions or paid annual or sick leave. In Malawi, employment in the informal sector has been the dominant type. Both surveys also indicated that young women in Malawi have a slightly higher chance of working informally than young men. The second round results indicated that 93.9 per cent and 92.5 per cent of young women and men, respectively, worked informally, while the corresponding figures for 2012 were 97.5 per cent and 95.4 per cent, respectively.

Another job quality measure is the qualifications mismatch. Objectively, the degree of qualifications 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, 2013, p. 44). ISCO-08 includes the following categorization of major occupational groups (first-digit ISCO levels) by level of education in accordance with the International Standard Classification of Education (ISCED). Table 3.14 summarizes the ISCO-based educational classification.

Table 3.14 ISCO major groups and education levels

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

Source: ILO, 2013, 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 overeducated (undereducated). 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. Overall, using the ISCO method and looking at those with completed education, 2.0 per cent of the young Malawians surveyed were overeducated for the work they do, while 81.3 per cent were undereducated.

Both types of mismatch can have a negative impact on workers' productivity and satisfaction. Undereducated workers are likely to be less productive and, in that sense, bring lower added value to their employers and, more personally, they are more prone to suffering from a sense of insecurity and inadequacy. In the same job, overeducated workers earn more than those with a lower (i.e. appropriate) level of qualification, but less than workers with the same level of education level but in a job that is a good match.

Table 3.15 Overeducated and undereducated young workers by occupational category (ISCO-08, %)

Major occupational categories (ISCO-08)	Overeducated	Undereducated	Matching	Total
Managers	0.0	87.4	12.6	100
Professionals	0.0	88.5	11.5	100
Technicians and associate professionals	0.0	84.9	15.1	100
Clerical support workers	0.0	90.1	9.9	100
Service and sales workers	0.2	74.2	25.5	100
Skilled agricultural, forestry and fishery workers	0.0	91.0	9.0	100
Craft and related trades workers	0.9	85.6	13.4	100
Plant and machine operators, and assemblers	0.0	50.5	49.5	100
Elementary occupations	12.7	52.1	34.9	100
Total	2.0	81.3	16.8	100

Source: SWTS-Malawi, 2014.

Table 3.15 provides more detail on the extent of qualifications mismatch among youth surveyed in 2014 in Malawi. The table supports the premise that some highly educated young people in Malawi must "settle" for jobs that they are overeducated for, such as in elementary occupations (where 12.7 per cent of workers were overeducated). However, the biggest challenge that Malawi faces is the undereducation of young workers. Many of the young people surveyed held positions that did not match their level of

education. Skilled agricultural workers and professionals had the highest chance of being undereducated (91.0 and 88.5 per cent, respectively). Large portions of workers in other occupations were also undereducated, including clerks (90.1 per cent), service and sales workers (74.2 per cent) and crafts workers (85.6 per cent).

Curiously, half of the workers in elementary occupations – domestic workers, for example – were recorded as being undereducated (52.1 per cent), having not even attained primary-level education. Interestingly, the only occupational category that seems to have had a well-matched youth workforce (49.5 per cent) was plant and machine operators, and assemblers.

3.5.9 Security and satisfaction

Figure 3.7 shows that 62.7 per cent of the employed youth surveyed were satisfied with their jobs. For the first round SWTS, job satisfaction was slightly higher, at 68.9 per cent. The apparent paradox that a young person working in a job that might bring little in terms of monetary reward or stability can claim to have job satisfaction is likely to be a reflection of the ability of youth to adapt to the reality of job scarcity. The SWTS results (Table A.7) show that job satisfaction depends on, among other things, the type of employment. Job satisfaction rates were higher for those in regular employment than for those in irregular employment (63.4 per cent and 57.5 per cent, respectively), and higher for those in formal employment than for those in informal employment (62.8 per cent and 61.7 per cent respectively). To test the degree of job satisfaction further, youth were asked if they wanted to change their current job. If they responded positively, they were asked to identify their main reason for wanting to change their job. The dominant reason for wishing to change employment situation was to find better pay (53.2 per cent), followed by the desire to improve working conditions (17.2 per cent). The first round SWTS also found the same ranking of reasons to change.

3.6 Characteristics of unemployed youth

Within the analytical framework of the SWTS, the "relaxed" definition of unemployment is preferred (ILO, 2013, p. 39). In this definition the "seeking work" criterion is relaxed. According to the 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 has to prove that they have actively sought work – by registering at an employment centre or by 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 to 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 this is exactly what is seen in Malawi.

3.6.1 Youth unemployment and duration of unemployment

As would be expected, for both SWTS years the strict definition of unemployment gave a lower unemployment rate for young Malawians (Table 3.16); the strict youth unemployment rates were less than half the relaxed rates. Owing to the advantages of using the relaxed definition of unemployment, the rest of the report uses the relaxed definition. The overall youth unemployment rate was 18.9 per cent in 2012, and declined to 13.7 per cent in 2014. There was a gender difference in youth unemployment rates to the disadvantage of young women; in both years, the unemployment rate for young females was almost double that for young men. Specifically, the unemployment rate for young females was 25.0 per cent and 18.5 per cent in 2012 and 2014, respectively. In contrast, for young males, the unemployment rate was 12.5 per cent and 8.7 per cent in 2012 and 2014, respectively.

Table 3.16 Youth unemployment rate and duration of unemployment by sex

	2012			2014		
	Total	Male	Female	Total	Male	Female
Youth unemployment rate (%)						
Strict definition	7.8	5.6	10.1	5.6	4.6	6.7
Relaxed definition	18.9	12.5	25.0	13.7	8.7	18.5
Share of unemployed by duration (%)						
Less than a 1 year	52.5	65.5	46.6	63.0	62.8	63.2
1 year to less than 2 years	15.8	16.6	15.7	15.4	22.6	10.0
2 years or more	31.6	18.4	37.7	21.6	14.6	26.8

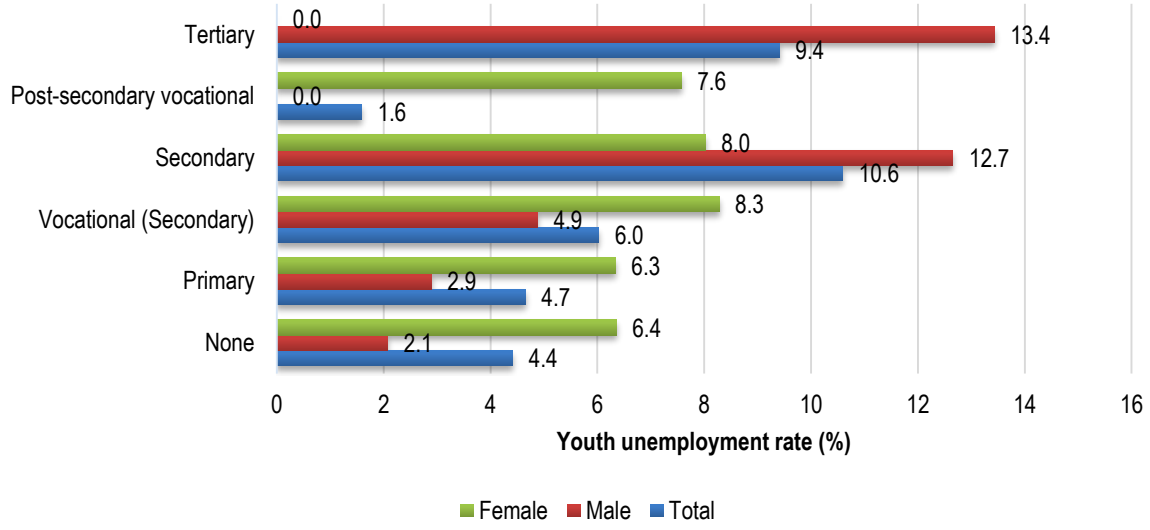
Source: SWTS-Malawi, 2012, 2014.

The share of the unemployed who had been in unemployment for less than one year increased from 52.5 per cent in 2012 to 63.0 per cent in 2014 (Table 3.16). Notably, the share of young men who had been unemployed for less than one year went down, but the share of young women rose. The results further indicate that the share of youth who had been unemployed for more than two years decreased from 31.6 per cent in 2012 to 21.6 per cent in 2014. Unemployment while young, especially of long duration, causes permanent scars rather than temporary blemishes. For the young, a spell of unemployment does not end with that spell; it raises the probability of being unemployed in later years and has a wage penalty (Mroz and Savage, 2006; Gregg and Tominey, 2005).

3.6.2 Youth unemployment and education

Figure 3.8 provides an analysis of unemployment rates by level of educational attainment among the surveyed youth. Only the 2014 SWTS results are presented here, because, as noted earlier, the classifications of completed education levels were different in the two rounds of the survey. The relationship between youth unemployment and educational attainment is an interesting one for Malawi. Unemployment was highest for those with secondary education (10.6 per cent) and lowest for those with post-secondary vocational education (1.6 per cent). Furthermore, the youth with no education had relatively lower unemployment rates that those with primary, secondary, vocational secondary or tertiary education. Young women faced experienced higher unemployment rates at all educational levels, except secondary academic and tertiary education. In fact, for young men with tertiary education the unemployment rate was 13.4 per cent, but almost every young woman with tertiary education had found work.

Figure 3.8 Youth unemployment rate by level of education completed and sex



Source: SWTS-Malawi, 2014.

3.6.3 Job-search methods

Table 3.17 shows trends in the job-search methods used by unemployed young Malawians. Informal job-search methods were popular in both survey years, but there were some slight differences. In 2012, the most common method of seeking work among the unemployed (used by one in four) was to ask friends, relatives and acquaintances (28.4 per cent), while in 2014, inquiring directly at factories, farms, markets, shops or other workplaces became the most popular method (used almost by one in three).

Table 3.17 Job search methods of unemployed youth (%)

Method	2012	2014
Registered at an employment centre	1.0	0.0
Placed/ answered job advertisements	8.0	8.0
Inquired directly at factories, farms, markets shops or other workplaces	25.7	31.8
Took a test or interview	2.2	0.8
Asked friends, relatives, acquaintances	28.4	25.6
Waited on the street to be recruited for casual work	4.4	10.3
Sought financial assistance to look for work or start a business	21.5	11.3
Looked for land, building, equipment, machinery to start own business or farming	3.9	7.5
Applied for permit or license to start a business	2.1	4.1
Worked for their household business units	1.7	0.6
Other	1.0	0.0
Total youth employment	100.0	100.0

Source: SWTS-Malawi, 2012, 2014.

In both years, informal job search methods were significantly more popular than formal ones. Only 1.0 per cent of respondents were registered with an employment centre in 2012, and virtually nobody surveyed in 2014 was registered. Similarly, few respondents had placed or answered advertisements (8.0 per cent) or taken a test or interview (2.2 per cent) in 2012. The use of these methods declined further in 2014. The decline in usage of more-formal methods was perhaps a reflection of the low success rates achieved using formal job-search methods in the country.

The use of public and private employment centres in both years was negligible. This is not surprising. Public and private employment centres face a number challenges in Malawi. Labour offices are constrained in terms of human resources, equipment (such as computers) and finances. With respect to private employment agencies, Mussa (2012), in a study of employment agencies in Malawi, found that close to 50 per cent of private employment agencies had been operational for less than two years, and only about 14 per cent had been in business for more than seven years. This suggests that private employment agencies are still in their infancy in Malawi.

3.6.4 Discouraged youth

Discouraged workers are those who do not work but are available to work; they do not seek employment because they feel that undertaking a job search would be futile. The survey results indicated that 5.9 per cent and 3.5 per cent of youth were discouraged workers in 2012 and 2014, respectively. The reason given by the majority of young discouraged workers (64.4 per cent) for not seeking work in 2012 was that they thought no jobs were available in the areas near their residence. Lack of jobs in the areas near their residence was still the dominant reason in 2014, but the proportion citing it as such went down to 29.6 per cent.

3.6.5 Expectations of the unemployed

Do youth in Malawi have unrealistic wage expectations? The SWTS collects information that helps answer this question. It collects monthly reservation wages, i.e. a wage below which a jobseeker would not accept a job. Table 3.18 presents the results for 2014 by level of education and sex. As would be expected, average reservation wages are highest among those with tertiary education. Young men have a higher average reservation wage than young women. A similar pattern was observed in 2012. Of note, the overall average reservation wage of 35,214 Malawian kwacha (MK) was higher than the actual monthly wage of the employed, which was found to be MK32,442 (see section 3.5.1). This suggests that the wage expectations of unemployed young Malawians are fairly unrealistic.

Table 3.18 Average monthly reservation wages for young unemployed by sex and level of educational attainment (in Malawian Kwacha)

Educational attainment	Total	Male	Female
Less than primary (including no schooling)	21 759	18 953	22 164
Primary	17 483	12 748	18 175
Vocational (secondary)	50 000	50 000	-
Secondary	26 083	30 543	23 046
Post-secondary vocational	45 172	60 000	25 000
Tertiary	69 569	69 568	-
All unemployed youth	35 214	44 546	20 790

Source: SWTS-Malawi, 2014.

3.6.6 Unemployed youth by main obstacles to finding work

The SWTS asked young unemployed Malawians to identify what they saw as the main obstacle to finding work. Table 3.19 reports the results for the two rounds of the survey. The results point to supply-side constraints being the principal obstacles to finding work. The obstacle identified by the largest share of the unemployed youth surveyed (56.5

per cent in 2012 and 43.2 per cent in 2014) was that requirements for a job were higher than the education/training they had received. The lack of available jobs in the economy was the second most reported obstacle (18.7 per cent in 2012 and 14.4 per cent in 2014). Interestingly, only a negligible 0.2 per cent of the unemployed youth in both years indicated that being male or female represented an obstacle to finding work.

Table 3.19 Main obstacles to finding work for unemployed youth (%)

Obtacles	2012	2014
Job requirement higher than qualification	56.6	43.2
Not enough experience	3.5	12.4
No available jobs	18.7	14.4
Considered too young	2.1	3.3
Sex discrimination	0.2	0.2
Other discrimination	3.9	5.9
Pay was too low	0.5	0.3
Working conditions were too poor	0.2	1.8
Don't how and where to find a job	8.9	11.3
Other	5.5	7.3
Total	100.0	100.0

Source: SWTS-Malawi, 2012, 2014.

3.7 Characteristics of youth outside the labour market and NEETs

As has already been shown (see Table 3.1), 24.9 per cent of youth in Malawi were economically inactive in 2014. This represented a reduction of 3 percentage points from the level of inactivity observed in 2012. In both years, the dominant reason for inactivity – cited by 69.2 and 39.3 per cent of the sampled youth in 2014 and 2012, respectively – was attendance at school or training. More young males (79.6 per cent and 53.3 per cent in 2014 and 2012, respectively) than females (60.1 per cent and 27.4 per cent in 2014 and 2012, respectively) were inactive due to attending school.

A key feature of the SWTS is that it also provides information about young people who are not in employment nor in education or training (NEET). Table 3.20 shows NEET trends between 2012 and 2014. The proportion of youth who fell within the category of NEET declined from 17.6 per cent in 2012 to 13.8 per cent in 2014. In both years, however, young women had a higher chance of falling within the NEET category. A young woman's likelihood of being a NEET was almost three times that of a young man. Specifically, in 2014, 20.1 per cent of young females were NEETs, compared with 7.1 per cent of young males. It should be noted that the overall NEET rate for 2014 was similar to that found in the 2013 Malawi Labour Force Survey. In that survey, the NEET rate for youth in the 15–34 years age group was 17 per cent (NSO, 2014).

Table 3.20 Distribution of NEET youth by sex (%)

	2012		2014	
	Number of NEETs	NEET youth as % of total youth population	Number of NEETs	NEET youth as % of total youth population
Male	188,900	8.9	147,100	7.1
Female	594,264	25.5	440,629	20.1
Total	783,164	17.6	587,729	13.8

Source: SWTS-Malawi, 2012, 2014.

4. Stages of transition

4.1 Concepts and definitions[17]

The preceding sections analysed youth with respect to their current activity status. Another means of classifying youth is to group them according to where they stand in their transition into the labour market. Evaluating the labour market transitions of young people not only requires measuring the length of time between their exit from education (either upon graduation or early exit without completion) and their first entry into any job, but also involves assessing several qualitative factors, such as whether the job is stable (measured by contract type).

The SWTS was designed to apply a stricter definition of "stable employment" than is typically used. By starting from the premise that a person has not "transited" until they are settled in a job that meets very basic criteria of stability, as defined by the duration of the employment contract, the SWTS analytical framework introduces a new element of quality to the standard definition of labour market transition. However, as seen in previous sections, few young people in Malawi attain stable employment, and if the "end goal" does not fit reality, then perhaps the statistics are not framed widely enough. For this reason, the ILO added job satisfaction as a component and built it into the concept of labour market transition.

More specifically, labour market transition is defined as the passage of a young person (aged 15–29 years) from the end of schooling (or entry to first economic activity) to the first stable or satisfactory job. Based on experience gained from analysing data from the 2012–2013 SWTS datasets, the ILO made slight revisions to the methodology for calculating the stages of transition. The justification for the revisions, based on lessons learned in these analyses, is summarized in the ILO's *Global Employment Trends for Youth 2015*, chapter 4.

The revised definition acknowledges the transitory state of current students and also the subjectivity of job satisfaction. A transition is thus considered to be complete only when a young person has attained a stable job that is based on a written contract of employment with a duration of greater than 12 months or an oral agreement with a likelihood of retention, or has attained a satisfactory temporary job judged on the young respondent's willingness to stay there. Since all active (employed or unemployed) students are counted among those "in transition", unlike for calculations based on the 2012 survey, which distributed students according to their labour market status, it is unfortunately not possible to compare directly the 2014 STWS transition results with those presented in Mussa (2013). Rather, to enable comparisons between the two rounds of the SWTS, this section applies the revised framework for defining transition to the 2012 survey data.

The stages of transition are defined as follows:

I. **Transited** – A young person who has "transited" is one who is currently employed and not in school in:
   i. a stable job
      a. based on a written contract of duration at least 12 months, or
      b. based on an oral agreement and likely to keep the job over the next 12 months;
   ii. a satisfactory temporary job
      a. based on a written contract of duration less than 12 months and does not want to change the job, or

[17] This section was primarily drafted by the ILO.

b. based on an oral agreement; not certain to keep the job over the next 12 months and does not want to change the job; or
c. satisfactory self-employment (in self-employed status and does not want to change the job).

II. **In transition** – A young person still "in transition" is one who is currently:
i. an active student (employed or unemployed);
ii. unemployed (non-student, broad definition);
iii. employed in a temporary and non-satisfactory job
a. based on a written contract of duration less than 12 months and wants to change the job, or
b. based on an oral agreement; not certain to keep the job over the next 12 months and wants to change the job;
iv. in non-satisfactory self-employment (in self-employed status and wants to change the job); or
v. inactive and not in education or training, with the aim of looking for work later.

III. **Transition not yet started** – A young person whose "transition has not yet started" is one who is currently:
i. still in school and inactive (inactive student); or
ii. inactive and not in education or training (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.[18] The "transited" category includes a subset 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, those without work, available for work but not actively seeking work[19] 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, many young people in self-employment – the own-account workers and unpaid family workers – are engaged in the informal economy and, by definition, 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.

The classification into stages of transition offers a flow concept. A person is in transition until they have reached a stable position in the labour market, meaning they have a job they are likely to maintain, regardless of whether it is good or bad. For a normative framework, it is better to look at the job-quality indicators presented in the previous sections.

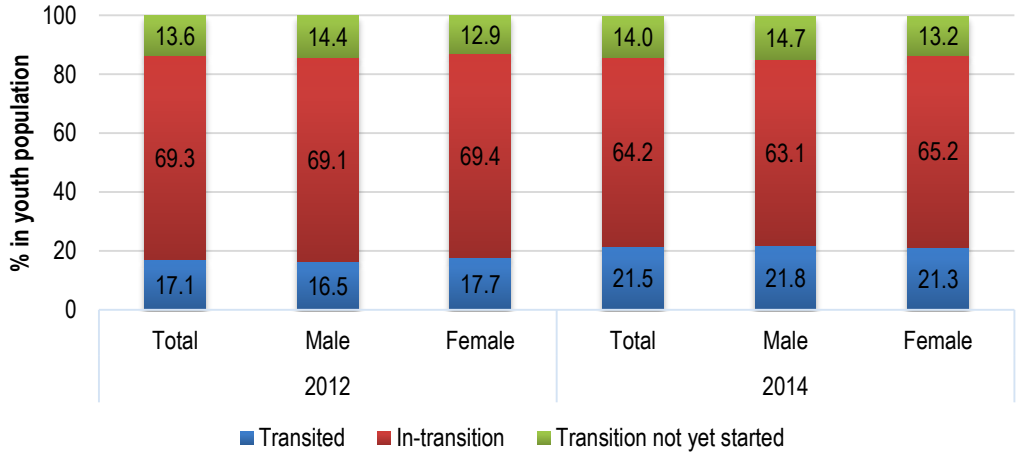
[18] The international guidelines for measuring statistics on the economically active population, set out by the 13th International Conference of Labour Statisticians (ICLS) in 1982, provide the framework for measuring who is counted as employed and as unemployed according to the economic production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

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

4.2 Stages of transition

Figure 4.1 shows transition stages for both rounds of the SWTS. The survey results show that the majority of young Malawians surveyed had either completed their transition to stable and/or satisfactory self-employment (21.5 per cent in 2014 and 17.1 per cent in 2012) or were in transition (64.2 per cent in 2014 and 69.3 per cent in 2012). In both years, a small minority (14.0 per cent in 2014 and 13.6 per cent in 2012) were yet to start their transition. The share of youth who had yet to start their transition remained virtually unchanged between the two rounds of the survey. On the other hand, the share of young people in transition reduced by 5 percentage points between 2012 and 2014, while the share of transited increased. This dynamic involved both young women and young men to a similar extent. The high number of youth who were in transition or had transited was a reflection of the low levels of school attendance and high rates of school drop-out in Malawi.

Figure 4.1 Youth population by stages of transition and sex



Source: SWTS-Malawi, 2012, 2014.

The second round SWTS results are reported in Table 4.1. As would be expected, almost a third of the youth in the upper age bands (20–24 and 25–29 years) had transited, while the share among youth aged 15–19 was 10.2 per cent. Conversely, 30.0 per cent of youth aged 15–19, the typical age for completing secondary education, had not yet started the transition. With respect to the area of residence, the share of the youth who were in transition was identical for rural and urban areas (64.2 per cent). However, rural areas had a slightly higher share of youth who had transited; in contrast, urban areas had a higher portion of youth whose transition had not yet started. Unsurprisingly, a significant majority (73.2 per cent) of the youth with tertiary education had transmitted to stable and/or satisfactory self-employment. The disaggregation of transition stages by household income shows that the share of youth from well-off families who had transmitted was about half that of their peers from poor families.

Table 4.1 Youth population by stage of transition and selected characteristics (%)

Characteristics	Transited	In transition	Transition not yet started	Total
Sex				
Male	21.8	63.1	14.7	100.0
Female	21.3	65.2	13.2	100.0
Age group				
15-19	10.2	59.3	30.0	100.0
20-24	27.3	66.8	5.5	100.0
25-29	30.8	68.0	1.2	100.0
Area of residence				
Urban areas	19.5	64.2	16.3	100.0
Rural areas	21.9	64.2	13.6	100.0
Household financial situation				
Well off	11.1	74.6	14.3	100.0
Fairly well off	19.5	62.6	17.9	100.0
Around the average	27.0	54.6	18.4	100.0
Fairly poor	21.3	63.5	15.2	100.0
Poor	20.1	68.3	11.0	100.0
Completed education				
Less than primary (including no schooling)	30.5	66.0	3.1	100.0
Primary	33.0	65.8	0.6	100.0
Secondary vocational	22.8	77.2	-	100.0
Secondary	28.7	70.3	1.0	100.0
Post-secondary vocational	55.5	44.5	-	100.0
Tertiary	73.2	26.8	-	100.0

Source: SWTS-Malawi, 2014.

4.2.1 Youth who have not started the transition

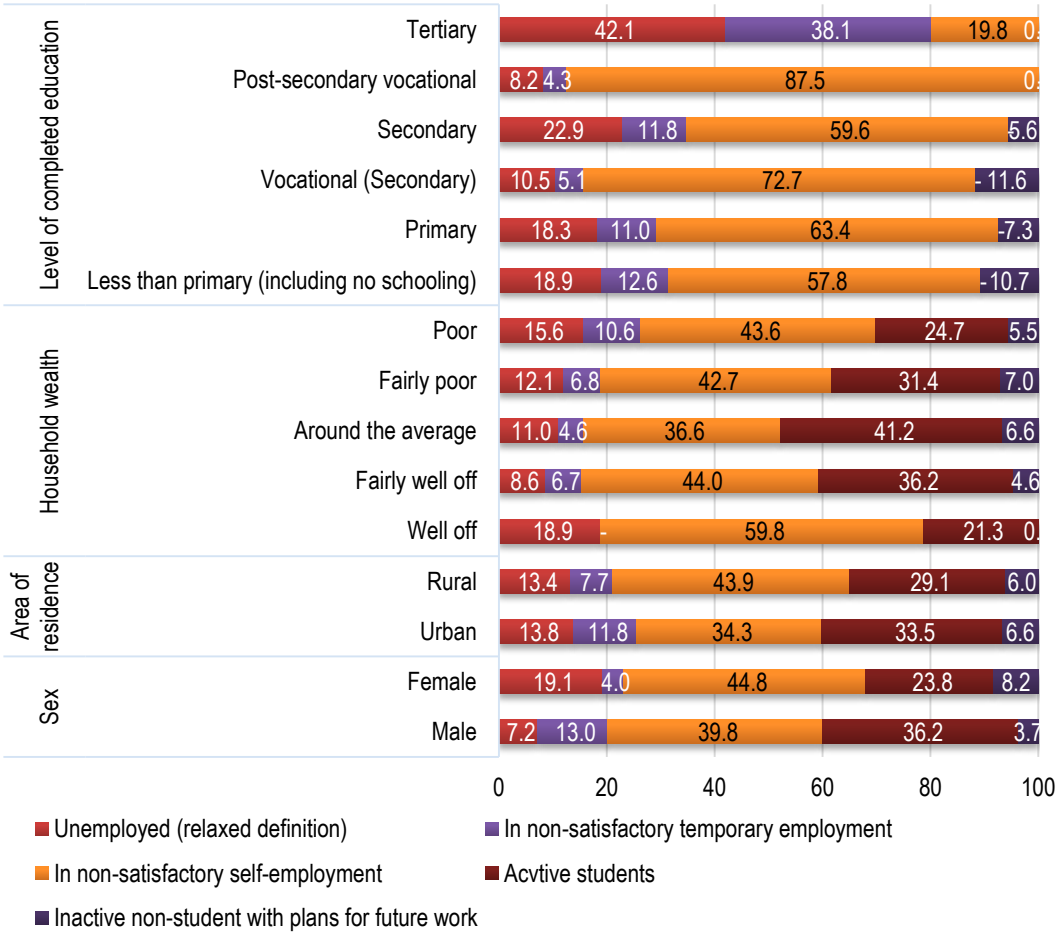
The results of the second SWTS show that most of the youth population (91.2 per cent) that had not started transition were in school and that only 8.8 per cent were currently inactive and not in school and with no intention of looking for work. There were more young men than young women among the inactive students (55.7 per cent were male and 44.3 per cent are female). The reverse was noted, however, among inactive non-students with no plans to join the labour market in the future, with young women constituting 93.6 per cent of the subcategory. Of the total male youth who had not yet started transition, only 1.1 per cent were inactive and not in school, with 98.9 per cent in school. In contrast, for young women, the shares were 16.9 per cent inactive and not in school and 83.1 per cent in school. This gender pattern is consistent with what was observed in the first round SWTS.

4.2.2 Youth in transition

A young person is classified as in transition if they are an active student (either employed or unemployed), an unemployed non-student (relaxed definition), engaged in self-employment or in a paid temporary job that they have expressed dissatisfaction with, or an inactive non-student with an attachment to the labour market, indicated by their desire to work in the future. In Malawi, a large share (50.7 per cent) of the youth classified in the SWTS as in transition were in non-satisfactory self-employment or temporary

employment. Another 13.4 per cent of those in the category were unemployed, and 6.1 per cent fell in the subcategory of inactive non-students with plans to work in the future, while active students made up 29.8 per cent of in-transition youth. Figure 4.2 shows that young women in the in-transition category were more likely than young men to be unemployed, in non-satisfactory self-employment or inactive non-students. The subcategories containing the highest shares of unemployed youth were tertiary educated youth (42.1 per cent) and youth with secondary education (22.9 per cent). In-transition youth who had completed vocational education (at secondary and post-secondary levels) were the most likely to be found in non-satisfactory self-employment, while young people who had completed tertiary education were by far the most likely to be in temporary employment (non-satisfactory).

Figure 4.2 Youth in transition by subcategory and selected characteristics (%)



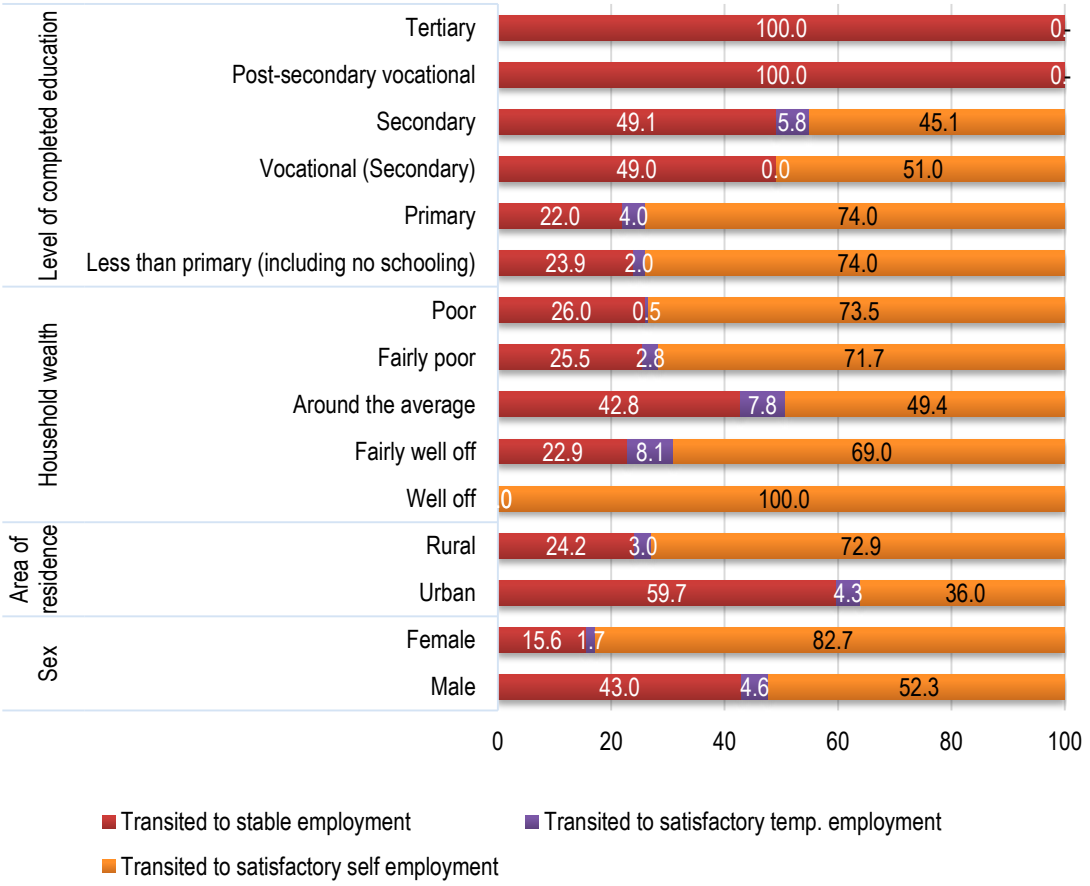
Source: SWTS-Malawi, 2014.

4.2.3 Youth who have completed the transition

Only a small portion of the surveyed youth who had completed their transition to work had attained stable employment (29.1 per cent). By far the majority were in satisfactory self-employment or temporary employment (67.8 per cent). It goes without saying that which subcategory a young person enters after completing transition will have implications for their job quality. For example, while those in self-employment may have stopped shifting between labour market categories, many of them are unlikely to have attained quality employment. Figure 4.3 focuses on the three categories of completed transition. It shows which category young people were most likely to be found in based on their characteristics.

As would be expected, young men had a higher likelihood of attaining stable employment than young women (43.0 per cent and 15.6 per cent, respectively) after completing their transition to the labour market. Location and household economic status also matter when it comes to transiting into the best category of stable employment. The likelihood of transiting to stable employment, rather than to satisfactory self-employment or temporary employment, was higher among youth in urban areas and youth coming from higher-income households. Predictably, the higher the educational attainment of youth, the higher was their likelihood of finding stable employment after transiting. Virtually all the youth who had completed tertiary or post-secondary vocational education had transited to stable employment. Those with secondary-level education had a higher likelihood of attaining stable employment than those with primary or no education. The transited youth with primary or no education were more than three times more likely to have transited to satisfactory self-employment or temporary employment than to stable employment.

Figure 4.3 Transited youth by subcategory and selected characteristics (%)



Source: SWTS-Malawi, 2014.

Table 4.2 shows the occupations into which the youth had transited. Comparing the occupations of transited youth with those of all employed youth can provide information on which occupations provide the more stable and satisfactory jobs. Agricultural work was the most common (53.9 per cent) type of work that youth transition into, followed by service and sales work (17.2 per cent). The groups comprising skilled workers, such as managers, professionals, technicians and associate professionals, attracted only 8.4 per cent of the total transited sample. These results suggest that most transited youth go into unskilled manual jobs, requiring low levels of education. The low-skilled nature of the majority of transitions is a reflection of the low levels of education among young Malawians.

The broader employment distributions by occupation of all employed youth and of youth in stable and/or satisfactory employment (transited youth) were broadly similar. Transited youth were slightly less represented in elementary occupations (10.3 per cent, compared with 15.5 per cent for all employed youth) and marginally more represented in agricultural work (53.9 per cent, compared to 49.7 per cent). This suggests that many youth working in elementary occupations were dissatisfied with their work and were therefore classified as remaining in transition. The findings were also a reflection of the relatively higher levels of educational attainment among young transited youth. This group had access to skilled jobs that were either more satisfactory or more likely to be stable.

Table 4.2 Transited youth and employed youth by major occupation group (ISCO-08, %)

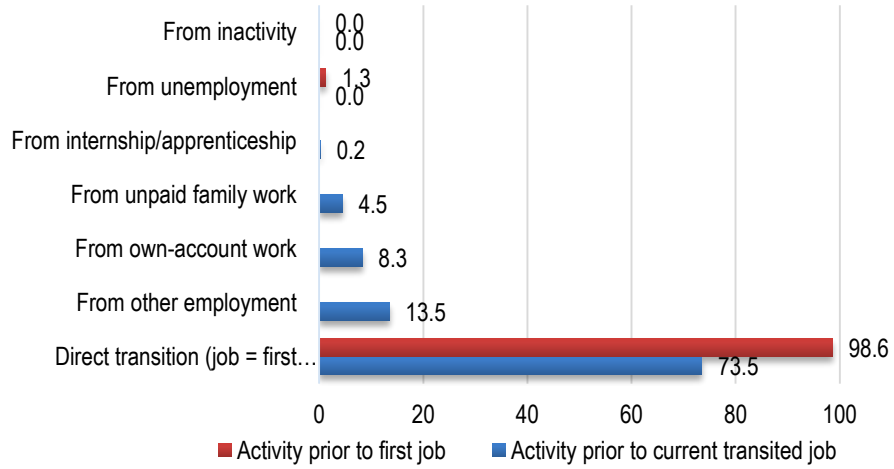
Occupation	All employed youth	Transited youth
Managers	0.3	0.9
Professionals	4.0	6.2
Technicians and associate professionals	1.6	1.3
Clerical support workers	0.2	0.2
Service and sales workers	18.3	17.2
Skilled agricultural, forestry and fishery workers	49.7	53.9
Craft and related trades workers	10.2	9.9
Plant and machine operators, and assemblers	0.1	0.2
Elementary occupations	15.5	10.3
Total	100.0	100.0

Source: SWTS-Malawi, 2014.

4.3 Transition paths and length of transition

The ability to review the past economic activities of youth who have completed the transition to work is one of the biggest added values of the SWTS. Using their historical path, it is possible to identify the labour market category of a young person prior to their transition to stable or satisfactory employment, and in advance of their first job. Figure 4.4 shows that for the majority of transited youth, their stable and/or satisfactory job was their first labour market experience (73.5 per cent). Of the remainder, 13.5 per cent had transited from another paid job, 8.3 per cent from own-account work and 4.5 per cent from unpaid family work. Very few transited from other types of labour market experience (less than 1 per cent from inactivity, unemployment or apprenticeship/internship. Figure 4.4 also shows that 98.6 per cent of youth moved directly into their first job experience; only 1.3 per cent of youth experienced a spell of unemployment prior to taking their first job.

Figure 4.4 Flows to stable and/or satisfactory employment and to first job (%)



Source: SWTS-Malawi, 2014.

Table 4.3 provides information on the duration of labour market transitions. Durations are calculated to the date of graduation: (i) to the first job, (ii) to the first transited job and (iii) to the current transited job. The various categories might or might not overlap: a young person could have had only one job experience and that job was deemed stable and/or satisfactory (so that the first job = first transited job = current transited job), or the young person might have held several jobs and moved into and out of transition before settling finally into the current stable and/or satisfactory job (so that the first job ≠ first transited job ≠ current transited job). In a country like Malawi, with so many young people moving directly to their transited job (see Figure 4.4), short transition durations from first labour market experience would be expected if the direct transitions are included.

Table 4.3 Average length of transition from first labour market entry by sex (months)

Flow variable	Total	Male	Female
From first labour market experience: To first job (any job, including direct)	0	0	0
From first labour market experience: To first transited job (including direct)	2.5	2.3	2.9
From first labour market experience: To first transited job (excluding direct)	45.3	43.2	47.2
From first labour market experience: To current transited job (including direct)	9.9	9.1	10.7
From first labour market experience: To current transited job (excluding direct)	45.9	41.5	50.4
From end of education: To first job (any job, including direct transitions)	27.5	24.9	30.1
From end of education: To first transited job (including direct)	26.5	23.5	29.7
From end of education: To first transited job (excluding direct)	40.6	36.6	44.6
From end of education: To current transited job (including direct)	34	30.6	37.3
From end of education: To current transited job (excluding direct)	44.8	41.2	48.5

Source: SWTS-Malawi, 2014

The results show that it took a young person on average 2.5 months to attain a first job deemed to be either stable or satisfactory. Taking out the majority share of youth who moved directly to that first transited job, the average time jumped massively to 45.3 months (3.8 years). In both instances, it took young women longer than young men to make the transition from school to work; when direct transitions were included, the transition period of young women was 0.6 months longer than for young men.

Some youth continue their pathway through the labour market after attaining their first transited job – perhaps they are let go from the job, or they leave to have children or

for other reasons.[20] Regardless of the reason, it makes sense that the average length of time taken to attain a current transited job will be longer than that taken to attain a first transited job. In Malawi, it took a young person an average of 9.9 months to complete the transition to their current transited job (9.1 months for young men and 10.7 months for young women). If those who moved directly to their current transited job are excluded, the transition duration increases to as long as 45.9 months, or almost four years. Regardless of which measure is used, the main problem remains that too many young people start working too young and in very poor conditions, rather than being empowered to invest in their education and then hold out for a job of decent quality.

5. Relevant institutional and policy frameworks, and policy implications

This section provides an overview of the relevant institutional and policy frameworks affecting youth employment issues in Malawi (and any progress thereof). It ends with a discussion of the policy implications of the survey findings.

5.1 Relevant institutional framework

The three primary entities responsible for the youth labour market in Malawi are the government, through the Ministry of Labour, Youth and Manpower Development (MOLYMD);[21] employers, through the Employers Consultative Association of Malawi (ECAM); and trade unions, through two union federations, the Malawi Congress of Trade Unions (MCTU) and the Congress of Malawi Trade Unions (COMATU). The MOLYMD, ECAM and the union federations form the national Tripartite Labour Advisory Council (TLAC), a body established under the Labour Relations Act of 1996. The TLAC is the highest negotiation forum on labour issues. The Act provides that the TLAC should convene at least once a year. However, the TLAC had not meet since 2006/07. As a result, consultations with social partners were being conducted in an informal and ad hoc manner. The ILO intervened in 2013 and supported the reactivation of TLAC meetings. The first such meeting was conducted in 2015.

Employment and labour legislation in Malawi consists of: the Labour Relations Act, No. 16 of 1996 (CAP 54:01); the Occupational Safety, Health and Welfare Act, No. 21 of 1997 (CAP 55:07); the Employment Act, No. 6 of 2000 (CAP 55:01); and the Workers' Compensation Act, No. 7 of 2000.

- *The Labour Relations Act (No. 16 of 1996)* replaced the Trade Union Act of 1958 and the Trade Disputes (Arbitration and Settlement) Act (No. 20 of 1952) and drew heavily from the ILO Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the ILO Right to Organise and Collective Bargaining Convention, 1949 (No. 98). The Act provides for the formation of trade unions.

- *The Occupational Safety, Health and Welfare Act (No. 21 of 1997)* replaced the Factories Act (amended) of 1980 and makes provisions: for the regulation of conditions of employment in workplaces with regard to the safety, health and welfare of employees; for the inspection of certain plant and machinery; for the prevention and regulation of

[20] The Work4Youth team will soon put out a technical brief examining the reasons why young people leave a job that they deem to be satisfactory and/or stable. Interested readers should check the website: www.ilo.org/w4y.

[21] The Ministry of Labour, Youth and Manpower Development, which was formerly called the Ministry of Labour (MOL) prior to 2014, now enjoys an elevated status as a key ministry. With this elevation, all youth affairs have been moved from what used to be the Ministry of Youth and Sports.

accidents occurring to persons employed or authorized to go into the workplace; and for other related matters.

- *The Employment Act (No 6. of 2000)* is comprehensive legislation on employment that drew from and replaced earlier legislation regulating employment, in particular the Regulation of Minimum Wages and Conditions of Employment Act (No. 14 of 1964) and the Employment of Women, Young Persons and Children Act (No. 22 of 1939 as amended in 1963). As indicated by its title, the objective of the Act is "to establish, reinforce and regulate minimum standards of employment with the purpose of ensuring equity necessary for enhancing industrial peace, accelerated economic growth and social justice". The Act sets a minimum age for work of 14 years, as long as it does not interfere with education, and a minimum age for hazardous work of 18 years. The Employment (Prohibition of Hazardous Work for Children) Order of 2012 specifies which occupations are hazardous for children, and forced labour is prohibited in both the Employment Act and, for under-18s, the Child Care, Protection and Justice Act (No. 22 of 2010).

- *The Workers' Compensation Act (No. 7 of 2000)* makes provisions for compensation for injuries suffered or diseases contracted by workers during the course of their employment or for death resulting from such injuries or diseases. It also provides for the establishment and administration of a Workers' Compensation Fund. Although not yet functional, the Workers' Compensation Fund was designed and envisaged as a natural springboard for a national social security system.

While Malawi has ratified seven of the nine main human rights conventions and all eight of the ILO core conventions on freedom of association and collective bargaining, the abolition of child labour, forced labour and all forms of discrimination, child labour remains widespread in the country, particularly in rural areas.

5.2 Relevant policy frameworks

Before discussing the domestic policies related to youth in Malawi, it should be noted that, on 25 September 2015, Malawi joined other countries in adopting a new set of global goals to end poverty, protect the planet and ensure prosperity for all as part of the 2030 Agenda for Sustainable Development. One of the 17 new Sustainable Development Goals seeks to promote economic growth and ensure decent work for all (SDG 8). The targets under this goal include the following:

- By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

- By 2020, substantially reduce the proportion of youth not in employment, education or training.

- Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

- By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.

5.2.1 The Malawi Growth and Development Strategy II

The Malawi Growth and Development Strategy (MGDS) II is an overarching government policy document designed to attain Malawi's long-term aspirations, as spelled out in its Vision 2020. The strategy, which covers a period of five years, from 2011 to 2016, is currently undergoing a review process. The objective of MGDS II is to continue to reduce poverty through sustainable economic growth and infrastructure development. To achieve this strategic objective, it identifies nine key priority areas; "Child Development, Youth Development and Empowerment" is one of these. In the medium term, this priority area aims to:

- increase the absorption of skills, technology and innovation by youth;
- increase youth participation in decision-making processes; and
- improve the coordination of youth programmes.

The strategies it identifies include:

- improving youth's technical, vocational, entrepreneurial and life skills;
- improving youth's access to credit facilities for entrepreneurship;
- constructing and rehabilitating sports infrastructure;
- improving access to youth-friendly sexual and reproductive health (SRH), HIV and AIDS services; and
- eliminating gender-based violence, harmful cultural practices, abuse and trafficking.

Unlike its predecessor, MGDS I, which covered the 2006–2011 period, MGDS II explicitly recognizes labour and employment as a sub-theme under sustainable economic growth. The outcomes the sub-theme seeks to achieve are: increased labour productivity; increased gainful and decent employment for all; and the elimination of the worst forms of child labour. Key strategies to achieve these outcomes include: establishing an effective and efficient labour market information system; promoting occupational safety and health; integrating child labour issues into development initiatives and interventions; reviewing, harmonizing and enforcing legislation on child labour; reducing all forms of labour market discrimination; promoting skills development; establishing a robust database of labour and employment statistics; and, finally, promoting labour administration systems.

In terms of skills for employability, MGDS II identifies "Education, Science and Technology" as a priority area. The overall goal of MGDS II with respect to education is to provide quality and relevant education to the nation. It identifies the following expected medium-term outcomes:

- expanded equitable access to education;
- improved quality and relevance of education; and
- improved management and governance of the educational system.

Additionally, skills and training also appear as a cross-cutting issue in MGDS II under the sub-theme "Capacity Development". The overall goal of this theme is to develop a productive and efficient workforce with necessary supporting equipment and infrastructure. It identifies the following as the expected medium-term outcomes:

- enhanced workforce capacities and supportive systems;
- improved functioning of local training institutions; and
- improved administration, management and performance across all sectors.

The process of developing MGDS III has started and initial consultations at various levels are in progress.

5.2.2 The National Employment and Labour Policy

Malawi is yet to ratify the Employment Policy Convention, 1964 (No. 122). However, following ILO's 2010 Employment Diagnostic Analysis of Malawi, a National Employment and Labour Policy (NELP) was developed, which has been pending final approval and Cabinet approval since 2014. The NELP aims to provide a framework for decent and productive employment and enterprise development in Malawi. It is a five-year strategy that will run until 2019. It has ten priority areas, including economic growth and employment, skills development and labour productivity, promotion and development of the micro, small and medium enterprise, and youth employment. The NELP seeks to create more and better employment and income generation opportunities for youth. The policy identifies the following strategies to achieve this objective:

- mainstream decent employment for youth in the country's overall employment creation strategy;
- increase the enrolment of youth, especially girls, at all levels of education;
- strengthen efforts to provide complementary skills to all out-of-school youth;
- integrate entrepreneurial skills into school and university curricula to encourage young people to start their own business;
- strengthen the capacity of career guidance at all education levels, including university, so youth are made aware of the employment opportunities that exist in different fields and their requirements;
- promote the transfer of integrated skills through attachments, mentoring and apprenticeships/internships;
- provide support to young people to graduate from informal to formal employment through improved access to training, business development services, and access to low-interest microfinance;
- design appropriate active labour market policies for specific target groups of youth to improve employability and provide short to medium-term employment opportunities; and
- encourage affirmative action for youth employment.

5.2.3 The National Youth Policy

The National Youth Policy of 2013 draws from the 1996 National Youth Policy. It is, however, a departure from the 1996 policy in so far as it embraces new challenges and other emerging issues currently facing youth in Malawi. The overall goal of the policy is to create an enabling environment for all young people so that they can develop to their full potential in order to contribute significantly to personal and sustainable national

development. Its priority areas are: youth participation and leadership; youth economic empowerment; national youth service; education for youth; youth in science, technology and environment; youth and health and nutrition; and social services, sports, recreation and culture. Its specific objectives include to:

- guide policy-makers on issues relating to young people;
- mainstream the youth development agenda in all national development programmes;
- provide guidance on minimum standards for the design of programmes for youth;
- guide the adequate allocation and prudent use of resources (financial, human and material) to youth programmes;
- provide guidance for the protection of young people;
- advocate for the active participation of young people in the formulation of legislation and policies affecting youth at all levels;
- mainstream gender equity and equality in all youth programmes;
- provide guidelines for the monitoring and evaluation of youth programmes and ensuring youth are included as active participants; and
- provide for the establishment of a multi-sectoral and multi-disciplinary institutional framework for coordination and implementation of youth programmes.

Until 2014, the ministry responsible for youth development implemented a Strategic Plan that represented its medium-term strategy for the development of youth and sports in Malawi as a response to the sector's inclusion among the Government's nine priorities within priorities. The strategic plan aimed to re-position youth to contribute effectively to Malawi's socio-economic development and presented the vision, mission and objectives to guide activities for poverty reduction and sustainable socio-economic development through youth empowerment and sporting programmes. Discussions are under way to start the development of the next five-year youth development strategic plan.

5.2.4 Technical, Entrepreneurial and Vocational Education and Training Act

The National Technical, Entrepreneurial and Vocational Education and Training Act (TEVET Act) was adopted in 1999 with the objective of promoting and coordinating technical, entrepreneurial and vocational education and training in the country. The Act resulted in the establishment of the Technical, Entrepreneurial and Vocational Education and Training Authority of Malawi and set up a training fund to which employers are expected to contribute through an annual levy. The general objectives of the TEVET Act are to:

- promote an integrated, demand-driven, competency-based modular technical education and training system;
- monitor the gaps between supply and demand for skills;
- support the adoption and application of appropriate technologies;
- promote managerial and business skills, and a spirit of entrepreneurial culture with regard to both wage and self-employment;

- facilitate sound and sustainable financing and funding mechanisms for technical education and training; and

- facilitate and bring together the expertise and moderate the different interests of stakeholders of technical education and training.

An accompanying policy was originally adopted in 1999 and was revised in 2013. The national Technical, Entrepreneurial and Vocational Education and Training (TEVET) Policy aims to promote the development of formal and informal skills in both the private and public sectors in all areas. It also aims to develop an effective and efficient TEVET system, which is capable of providing the workforce with competitive and skilled workers. The TEVET system contributes to the attainment of the overall national strategy through the creation of a skilled and competent workforce capable of producing high-quality goods and services that can compete in local and international markets. In order to provide for such training, the TEVET Policy stipulates the development of a training fund. The Policy also led to the establishment of the Technical, Entrepreneurial and Vocational Education and Training Authority of Malawi (TEVETA), a body that regulates, facilitates and monitors the overall quality of the training programmes operating under the TEVET system.

5.2.5 The National Education Sector Plan

The National Education Sector Plan (NESP) 2008–2017 operationalizes the MGDS's broad educational development priorities. It covers basic education (early childhood development, out-of-school youth, complementary basic education and adult literacy as non-formal education and primary education), secondary education (open and distance education and formal education), teacher education development for basic and secondary education, technical education and vocational training (formal, village polytechnics and distance learning) and higher education (private, public and open universities). It defines three thematic areas of intervention, namely:

- expand equitable access to education to enable all to benefit;

- improve quality and relevance of education to reduce drop out and repetition and promote effective learning; and

- improve governance and management of the system to enable more effective and efficient delivery of services.

5.2.6 The Malawi Decent Work Country Programme

The Malawi Decent Work Country Programme (M-DWCP) covers the period 2011–2016, and was developed with technical assistance from the ILO in wide consultation with stakeholders. The programme has three key priority areas:

- creating more and better employment and income generation opportunities, particularly for the vulnerable groups, including youth, women and people with disabilities, as well as ensuring the elimination of the worst forms of child labour;

- enhancing and extending the coverage of social protection;

- building the capacities of the Government of Malawi and social partners to improve service delivery.

5.3 Policy implications

The analysis of the two rounds of the SWTS for Malawi has shown that the findings are broadly similar and consistent; they point *inter alia* to the existence of low-quality employment and low, but improving, levels of educational attainment. The evidence clearly demonstrates that Malawi 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 Malawi is already active in the area of employment promotion and skills development, as the previous subsection has demonstrated. In designing policy interventions, policy-makers need to take into account the multi-faceted nature of the challenge. Areas of possible action include the following:

1. **Design macroeconomic policy to promote job growth, especially within the agricultural sector.** The SWTS results show that 58.4 per cent of young Malawians work in the agricultural sector. Population density in rural areas – where most Malawians reside – continues to increase (NSO, 2009). In an agro-based economy such as Malawi, this means further worsening of the constraints upon the land. This calls for structural transformation with greater employment opportunities created in the non-agricultural sectors. 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. Beyond improving the alignment of the educational system to the demands of the labour market, demand-side solutions are needed to generate additional skilled jobs. Macroeconomic and growth policies have the potential to support youth employment if investments are sufficient and directed towards employment-centred interventions, encouraging economic diversification and structural transformation (ILO, 2015, section 5).

2. **Ensure educational access for all and prevention of early school departures.** Malawi's population is characterized by rapid growth, which places great pressure on the Government and the working population to support those who are either too young or too old or are otherwise unable to be economically active. Furthermore, despite the introduction of free primary education in Malawi in 1994, close to half of Malawi's youth did not complete primary-level education or received no schooling. The report clearly describes the need to enhance employability among the rapidly growing young population. Having a higher level of education is shown to make for a better labour market outcome and an easier labour market transition. At the same time, the early ages of transition shown in the results, which reflect the trend for youth to leave school at a young age, are worrisome for the country; having a large share of young persons with low levels of education and lacking many of the skills required by the labour market will stall the productive transformation of the country. Policies and resources should be directed towards two goals. First, more investment should be directed into expanding access to education, especially in rural areas and among the most disadvantaged youth (who are excluded by costs, including indirect costs, such as transportation). Second, a bigger effort should be made to improve the quality of education and to address the skills mismatch, to allow young people to better meet the needs of the labour market.

3. **Improve the relevance of education and open the dialogue between employers and universities and training institutions on identification of core skills to be added to curriculum.** Like in many African countries, private sector development in Malawi 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 will evolve through continuous dialogue with employers – to align training programme with business needs and local realities – and keeping teachers up to date about workplace practices represent good practices for improving core skills. Mentoring programmes that link students with professionals or young workers is another. The survey results reveal that, using the ISCO method and looking at youth who have completed education, 81.8 per cent of young workers are undereducated. This represents a substantially high level of skills mismatch. Undereducated workers are likely to be less productive and, in that sense, bring lower added value to their employers and, more personally, they are more prone to suffering from a sense of insecurity and inadequacy. One way of addressing the qualifications mismatch is to offer on-the-job training. A trained worker has the potential to become more efficient and effective and better motivated at work than an untrained (and hence insecure) worker.

Box 3. The Work-Integrated Learning (WIL) initiative in Malawi

The most effective vocational education systems in the world offer young people a mix of classroom- and workplace-based training. A recent initiative supported by the ILO has brought this model to Malawi. In 2015, the Work4Youth project partnered with another ILO project, Skills for Trade and Economic Diversification (STED),[22] to implement the Work-Integrated Learning initiative (WIL). The objective of this initiative is to design and pilot training courses that combine theoretical learning, which takes place in a training institution, with applied learning, which happens in an enterprise. The training is designed for the agricultural sector, and the horticulture subsector in particular.

The Ministry of Labour, Youth and Manpower Development of Malawi has been the main partner of the ILO throughout this initiative. Other lead institutions of the WIL are the national Technical, Entrepreneurial, Vocational Education and Training Authority (TEVETA), which has taken the lead in the design of the curriculum and training materials, and the Employers Consultative Association of Malawi (ECAM), which is coordinating the participation of the companies in this WIL pilot.

4. **Improve conditions of work by ensuring equal treatment for and rights of young workers.** The results from the two surveys 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 encouraged, while at the same time incentives should be provided to employers to invest in the improvement of young people's work conditions.

5. As very few young people use formal means of finding work, **enhance the role of institutions that deal with employment and unemployment issues and improve the collection and dissemination of labour market information.** Young people mainly use informal methods to search for jobs. The results from the two surveys indicate that virtually nobody uses employment centres. Given this situation, increasing labour demand without improving formal access to vacancies will do little to help integrate disadvantaged youth who lack personal connections into the labour market. Labour market information, job-search assistance, vocational counselling and career guidance should be promoted in Malawi to assist and orient young persons. Greater investment in employment offices and agencies can help to improve the connection between young people and enterprises. The relevant labour laws as contained in the Employment Act, No 6. of 2000 (CAP 55:01) do not provide for the existence of private and public employment services. This means that employment services in Malawi are provided without the appropriate legal and regulatory frameworks. Without this proper environment, there is a likelihood of abuse and

[22] STED is a methodology developed by the ILO that provides strategic guidance for the integration of skills development in sectoral policies. For more information on the tool, please visit: www.ilo.org/STED.

exploitation of workers. To improve the delivery of employment services and minimize the potential for exploitation of jobseekers, the Employment Act should be amended to provide the appropriate legal and regulatory framework. It is also recommended that public employment services (district labour offices) be sufficiently well resourced to play a meaningful role in matching jobseekers and employers.

6. **Facilitate the financial inclusion of youth and access to credit and business support services to young entrepreneurs.** Access to finance for investment is consistently listed as a major constraint for enterprises wishing to expand their capacity and create new jobs (Matsumoto, Hengge and Islam, 2012). This is particularly important in countries where a majority of establishments are micro- and small enterprises. Malawi is no exception. The second round SWTS indicated that only about 3.3 per cent of young employers and own-account workers received their financing from the formal banking system, i.e. microfinance institutions and commercial banks. This pattern is consistent with findings from the first round SWTS. These findings point to the extent and magnitude of financial exclusion in Malawi. Consequently, measures aimed at improving 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 youth business are also needed.

7. **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. The Government, employers' organizations and trade unions in Malawi 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.

References

Benin, S.; Thurlow, J.; Diao, X.; McCool, C.; Simtowe, F. 2012. "Malawi", in X. Diao; J. Thurlow; S. Benin; S. Fan (eds.): *Strategies and priorities for African agriculture: Economy-wide perspectives from country studies* (Washington, DC, International Food Policy Research Institute).

Brewer, L. 2013. *Enhancing youth employability: What? Why? and How? Guide to core work skills*, Skills and Employability Department (Geneva, ILO).

Chirwa, E.; Dorward, A. 2013. *Agricultural input subsidies: The recent Malawi experience* (Oxford, Oxford University Press).

Fields, G.S. 2011. "Labor market analysis for developing countries", in *Labour Economics, Vol.* 18, pp. 16–22.

Glick, P.; Sahn, D. 2000. "Schooling of girls and boys in a West African country: The effects of parental education, income, and household structure", in *Economics of Education Review*, Vol. 19, pp. 63–87.

Government of Malawi (GOM). 2010. *RAPID: Population and development in Malawi* (Lilongwe, Ministry of Development Planning and Cooperation).

—. 2012. *National Population Policy* (Lilongwe, Ministry of Economic Planning and Development).

Gregg, P.; Tominey, E. 2005. "The wage scar from male youth unemployment", in *Labour Economics*, Vol. 12, pp. 487–509.

International Conference of Labour Statisticians (ICLS). 2013. *Resolution concerning statistics of work, employment and labour underutilization* (Geneva).

International Labour Organization (ILO). 2013. *Global Employment Trends for Youth 2013: A generation at risk* (Geneva).

—. 2015. *Global Employment Trends for Youth 2015: Scaling up investments in decent jobs for youth* (Geneva).

Kim, S.; Kim, Y. 2000. "Growth gains from trade and education", in *Journal of International Economics*, Vol. 50, No. 2, pp. 519–545.

Matsumoto, M.; Hengge, M.; Islam, I. 2012. *Tackling the youth employment crisis: A macroeconomic perspective*, Employment Working Paper No. 124 (Geneva, ILO).

Mroz, T.A.; Savage, T.H. 2006. "The long-term effects of youth unemployment", in *Journal of Human Resources*, Vol. 41, No. 2, pp. 259–293.

Mussa, R. 2012. *Mapping of private and public employment services in Malawi* (UNDP, unpublished report).

—. 2013. *Labour market transitions of young women and men in Malawi*, Work4Youth Publication Series No. 4 (Geneva, ILO).

—. 2015. "Youth wage employment and parental education in Malawi", in *Development Southern Africa*, Vol. 32, No. 4, pp. 526–537.

Pauw, K.; Thurlow, J.; Bachu, M.; van Seventer, D.E. 2011. "The economic costs of extreme weather events: A hydro-meteorological CGE analysis for Malawi", in *Environment and Development Economics*, Vol. 16, pp. 177–198.

Pauw, K.; Beck, U.; Mussa, R. 2014. *Did rapid smallholder-led agricultural growth fail to reduce rural poverty? Making sense of Malawi's poverty puzzle*, WIDER Working Paper 2014/123 (Helsinki, UNU-WIDER).

Republic of Malawi, National Statistical Office (NSO). 2009. *2008 Population and Housing Census Main Report* (Zomba).

—. 2012. *Integrated Household Survey*, 2010–2011, IHS3 (Zomba).

—. 2014. *Malawi Labour Force Survey* 2013 (Zomba).

—. 2015. *Statistical Ye*arbook (Zomba).

Reserve Bank of Malawi (RBM). 2015. *Financial and Economic Review*, Vol. 48, No. 3.

Shehu, E.; Nilsson, B. 2014. *Informal employment among youth: Evidence from 20 school-to-work transition surveys*, Work4Youth Publication Series No. 8 (Geneva, ILO).

World Bank. 2011. *World Development Indicators* (Washington, DC).

—. 2013. *Malawi Public Expenditure Review*, Report No. 79865-MW (Washington, DC).

—. 2015. *World Development Indicators* (Washington, DC).

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 in the activity of the firm, for example), but had a formal attachment to their job;
   - performed some work without pay for family gain.

b. The **unemployed** (strictly defined) include all persons of 15 years of age or more who met 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 category 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 workers 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 a 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 purposes, as long as their residence in the foreign country does not exceed one year. A person living alone can also qualify as a household ("single household") if she or

he does not already belong to another unit. The single household can reside in a separate or shared dwelling, and will be 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 Labour Force Survey.

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 1 above:

   a. **Broad (relaxed) unemployment** – a person without work and available to work (relaxing the jobseeking criterion of item 1b 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 are 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 respondents consider to "fit" 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.

Annex II. Additional statistical tables

Table A.1 Share of youth who moved from original residence, 2014

		Total		Male		Female	
		Number	%	Number	%	Number	%
Area of previous residence	Rural area	721 706	54.3	298 392	51.2	423 313	56.8
	Small town	312 122	23.5	153 943	26.4	158 179	21.2
	Metropolitan area	0	0.0	0	0.0	0	0.0
	Large city	230 456	17.4	99 423	17.0	131 033	17.6
	Another country	63 984	4.8	31 450	5.4	32 534	4.4
Main reason	To accompany family	685 006	51.6	221 629	38.0	463 377	62.2
	For education/training	122 734	9.2	71 920	12.3	50 814	6.8
	To work	214 774	16.2	164 160	28.1	50 613	6.8
	Other reasons	305 755	23.0	125 499	21.5	180 256	24.2
Total		1 328 268	100.0	583 209	100	745 060	100.0

Source: SWTS-Malawi, 2014.

Table A.2 Level of completed education of youth by sex and area of residence (%), 2012

Education level	Male	Female	Rural	Urban	Total
Primary or less	50.4	56.8	56.6	35.4	54.2
Primary	29.4	30.7	30.3	28.7	30.2
Secondary	18.5	11.6	12.6	28.9	14.4
University	0.2	0.3	0.0	2.2	0.3
Other tertiary	1.2	0.6	0.3	4.7	0.8
Vocational	0.3	0.1	0.2	0.0	0.2
Total	100.0	100.0	100.0	100.0	100.0

Source: SWTS Malawi, 2012.

Table A.3 Level of completed education of youth and youth's parents (%), 2012

Education level	Youth	Father	Mother
Primary or less (including no school)	54.2	41.8	64.7
Primary	30.2	28.6	23.2
Secondary	14.4	11.0	4.0
Vocational	0.2	0.3	0.1
Tertiary	0.3	2.0	0.4
Other tertiary	0.8	1.7	0.8
Do not know	n.a.	14.7	6.8
Total	100.0	100.0	100.0

Note: n.a. = data not available.
Source: SWTS Malawi, 2012.

Table A.4 Level of completed education of youth by main economic activity status (%), 2012

Education level	Employed	Unemployed	Inactive
Primary or less (including no school)	51.6	35.3	52.6
Primary	31.8	41.4	31.9
Secondary	15.1	21.8	15.0
University	0.3	0.6	0.0
Other tertiary	1.0	0.9	0.5
Vocational	0.3	0.0	0.0
Total	100.0	100.0	100.0

Source: SWTS Malawi, 2012.

Table A.5 Self-employed youth by reason for self-employment (%)

	2012			2014		
	Total	Male	Female	Total	Male	Female
Could not find a wage or salary job	23.8	21.3	26.1	31.7	30.0	33.1
Greater independence	35.5	36.9	34.2	30.8	34.1	28.1
More flexible hours of work	5.0	5.2	4.9	8.0	11.2	5.5
Higher income level	9.7	12.5	7.1	6.4	7.2	5.8
Required by the family	11.7	9.3	14.0	23.0	17.6	27.5
Other	14.0	15.0	14.0	–	–	–
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: SWTS-Malawi, 2012, 2014.

Table A.6 Self-employed youth by funding sources for their activity (%), 2014

Source	Total	Male	Female
No money needed	28.8	30.2	27.7
Own savings	38.8	43.7	34.7
Money from family or friends	23.5	20.4	26.0
Loan from microfinance institutions	2.9	2.1	3.6
Loan from bank	0.4	0.0	0.7
Loan from an informal operator	4.1	2.5	5.5
Loan from government institution	0.5	0.5	0.6
Loan from NGO, donor project	0.4	0.2	0.5
Remittances from abroad	0.5	0.3	0.7
Total	100.0	100.0	100.0

Source: SWTS-Malawi, 2014.

Table A.7 Job satisfaction rates (%), 2014

Characteristics	Total	Male	Female
Level of completed education			
Less than primary (including no schooling)	69.5	64.0	74.2
Primary	62.1	62.3	61.9
Vocational (Secondary)	44.6	42.6	48.7
Secondary	54.7	53.3	56.3
Post-secondary vocational	63.2	61.7	69.5
Tertiary	77.1	74.9	81.5
Area of residence			
Rural	62.2	67.5	57.2
Urban	62.8	59.2	66.7
Household financial situation			
Well-off	64.4	100.0	55.9
Farily well-off	80.3	84.6	75.3
Around the average	70.2	72.6	67.7
Fairly poor	65.3	64.3	66.4
Poor	56.0	50.3	62.4
Type of employment			
Regular	63.4	60.6	66.1
Irregular	57.5	58.8	53.8
Formal	62.8	59.4	66.3
Informal	61.7	71.2	48.9
Qualifications mismatch			
Overeducated	48.1	34.9	62.5
Undereducated	67.0	64.0	69.9
Matching	53.3	52.3	54.2

Source: SWTS-Malawi, 2014.

Table A.8 Young workers who want to change their job by reason and sex (%), 2014

Reason	Total	Male	Female
Present job is temporary	16.7	16.6	16.7
Fear of losing present job	1.2	0.6	1.9
To work more hours paid at current rate	2.3	2.8	1.7
To have a higher pay per hour	53.2	53.1	53.4
To work less hours with a reduction in pay	2.0	2.7	1.2
To use better your qualifications/skills	4.0	5.0	2.7
To have more convenient working time	3.4	3.0	4.0
To improve working conditions	17.2	16.2	18.3
Total	100.0	100.0	100.0

Source: SWTS-Malawi, 2014.

This report presents the highlights of a second round of the School-to-work Transition Survey (SWTS) implemented by the National Statistics Office in 2014. Results are compared to those of the first round (2012) and the analysis is updated and expanded to supplement the portrait of the youth labour market situation in Malawi presented in the first survey report. The report also outlines the institutional framework and relevant employment policies in the country.

The SWTSs are made available through the ILO "Work4Youth" (W4Y) Project. The 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 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 Publication Series is designed to disseminate data and analyses from the SWTS administered by the ILO in 34 countries covering five regions of the world. The Series covers national reports, with main survey findings and details on current national policy interventions in the area of youth employment, regional synthesis reports that highlight regional patterns in youth labour market transitions and thematic explorations of the datasets.

Work4Youth

For more information, visit our website: www.ilo.org/w4y
Youth Employment Programme
4 route des Morillons
CH-1211 Genève 22
Switzerland
w4y@ilo.org

ISSN 2309-6780