



Youth Labour Market Participation and Sectoral Choices in Côte d'Ivoire

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Abstract

Several employment options are available to job seekers in Côte d'Ivoire. Four employment options are offered according to the market structure. This refers to the public sector, formal private sector, non-agricultural informal sector, and the agricultural informal sector. This article aims at analysing the determinants for youth labour market participation and sectoral choices. The data is drawn from the National Survey on the Employment Situation and Child Labour (ENSETE) conducted in 2013 by the Agency for Studies and Job Promotion (AGEPE). In this study, two econometric tools have been used.

The binary probit model by selection reveals that age, gender and place of residence negatively impacts the participation of the youth in the labour market. The individual multinomial probit model underlines the negative influence of gender on employment in the formal sectors (public sector and formal private sector). However, the young women have up to 18% chance of being absorbed in the non-agricultural informal sector. If the urban area is conducive for all sorts of economic activities, the young women's chances increases to more than 50% in terms of their likelihood to conduct non-agricultural informal businesses. The probability of a youth getting employed in public or non-agricultural formal sectors decreases as he or she continues to age. These phenomena create employability problem as underscored by the outcomes obtained with the duration of unemployment period.

Introduction

Issues concerning youth employment take a centre stage in all major African, Pan African, and international meetings. The fundamental reason for this interest in youth employment issues is because this important group of the population in developing countries is faced with enormous challenges in getting integrated into the labour market.

Côte d'Ivoire is faced with youth employment crisis. These represent the proportion of the working-age population with the highest unemployment rate. The average age of those who are unemployed is estimated at 27 years, which is five years higher than the average age of the total population. Almost three quarters of these unemployed are under 30 years of age and 18% between 30 and 39 years old. Most of them are looking for their first job and 70% of them have been unemployed for a long period of time. This unemployment mainly affects young people in urban areas (Kouakou, 2006). In 1998, the youth unemployment rate was around 85.7% nationally. However, it affected 57% of youth in urban areas. The unemployed are people without work and who are ready and willing to work. In 2012, the unemployment rate among young people remained high. It was 13.8% for 14-24-year-olds and 12.2% for 14-35-year-olds (EEMCI, 2012). In 2013, it was at 9.6% among 14-24-year-olds (ENSETE, 2013). This adapted unemployment does not consider the criterion of "job search" in accordance with the recommendations of the 13th International Conference of Labour Statisticians (ILO, 2013).

In order to provide a lasting solution to this problem, the government is committed, through the National Development Plan (NDP), to facilitate young people's access to employment¹. This inevitably requires knowledge of the situation of the youth in the labour market. In addition, the segmented nature of the Ivorian labour market requires

1 Strategic axis 2: Accelerating human capital development and promoting social wellbeing / Impact 2: Women and men... youth and people with disabilities have access to productive, decent and sustainable employment.

a sectoral analysis. This would allow for a better understanding of the specificities of each market segment to provide more appropriate solutions. It is with this in mind that our study is conducted. Thus, it attempts to answer the following question: what are the determinants of participation and choice of the sector for integration of young people into the labour market in Côte d'Ivoire?

Four segments can be distinguished in the Ivorian labour market. These are: the public sector, the formal private sector, the non-agricultural informal sector, and the agricultural informal sector. The public sector includes jobs in public administration, parastatals, and international organizations. It represents only 2.5% of the jobs held by the youth (ENSETTE, 2013). The other 97.5% are in the private sector. The distinction between formal private sector (4.3%) and informal sector (93.2%) is based on the criterion of registration of the production unit, including whether to pay taxes. Thus, workers who are neither in the public nor in households and whose establishment is subject to at least synthetic tax are classified in the formal private sector. The others are classified as informal. The latter is subdivided into informal non-agricultural (43.1%) and informal agricultural (50.10%). This distinction is justified by the large size of agriculture in developing countries and its reverse shift towards expanding non-agricultural activities.²

The interest of such a study is to promote a better understanding of the situation of the youth in labour market in Côte d'Ivoire. This work could be a valuable tool for guiding decision making in the development of appropriate policies to reduce youth unemployment.

Methodology

National Survey on Employment Situation and Child Labour (ENSETTE) is the second of its kind³, carried out by Employment Studies and Promotion Agency (AGEPE) in 2013. This database provides the information useful for our analysis. The survey covered a sample of 12,000 households spread throughout the country, obtained after a proportional draw of 600 survey areas and a systematic draw of 20 households in each of the survey areas (after having identified all the households living in this area). The data was collected in February 2014. The quality of this data was ensured by the technical measures taken by the National Institute of Statistics (INS) and the quality control carried out by the National School of Statistics and Applied Economics (ENSEA).⁴ The data indicate that the labour force (active population) is estimated at

2 Charmes (2002) in Adair and Bellache (2012).

3 It was conducted after the Household Employment Survey (HES) carried out in 2012.

4 cf. AGEPE (2014), p.6.

8,070,764 individuals, representing 55.7% of the working-age population. In addition, the young workforce (individuals aged 14-35) stands at 12,916 individuals. This last population is our base sample.

Conclusion and policy recommendation

The purpose of the study was to assess the determinants of participation and choice of the sector for the integration of young people into the labour market in Côte d'Ivoire. An analysis of the market structure makes it possible to define four choices or alternatives for candidates for integration into the labour market. These are the public sector, the formal private sector, the non-agricultural informal sector, and the agricultural informal sector. The review of both the theoretical and empirical literature highlighted the factors that may explain the decision to participate in the market and the choice of the sector of integration. The econometric tools used confirm the effect of these factors.

The probit model with selection reveals that the youth's gender, place of residence and age determine their participation in the labour market. These different variables have a strong and negative impact on the decision to participate in the labour market. Indeed, young women, 25-35 years old and urban youth have reduced opportunities to participate in the labour market. Moreover, this model reveals that, in addition to the residential environment, the youth's household status and level of education explain the choice of the type of activities (formal or informal). Thus, it is noted that the young person is less likely to be involved in activities in the informal sector as the level of education increases.

The multinomial probit model makes it possible to carry out a deeper analysis by considering the different alternatives available to the candidate for integration. The different explanatory variables used for the analysis are almost all significant at 1%. Additionally, they have different effects depending on the sector of activity. Thus, it is noted that older youth tend to move into the informal non-agricultural sector. Besides age, a long period of unemployment promotes integration into the sector. The impacts of the young person's level of education and gender on the choice of sector of activity are worth noting. Indeed, it appears that a high level of education increases the chances of working in both the public and formal private sectors. Moreover, being of the female gender increases the chances of entering the non-formal non-agricultural sector. Furthermore, being of the female gender and belonging to the 25-35 age group reduces the chances of access to formal jobs.

In the light of these results, economic policy recommendations are made. The aim will be to increase employability and integration capacities of young people in the labour market; to broaden the capacities and scope of action of the Youth Employment

Agency (YEA); and to pursue reflections on the status of women in the labour market. Upon completion of the education system, many young people turn to the public sector, which offers only limited opportunities for integration into the labour market. Increasing employability necessarily requires the revitalization of the informal non-agricultural and informal agricultural sectors. Indeed, modernization and training in agricultural activities will encourage young people to take an interest in this sector, but not out of spite.

Furthermore, consideration should be given to the formalization of certain activities in the informal non-agricultural sector. The survey on the informal sector requested by the government will make it possible to take stock of the abundant activities in this sector.

Young people turn to their "networks" in their search for employment. They do not register with the agency because they no longer believe in its ability to find them jobs. Providing this agency with the necessary resources (financial and human) would give it more credibility and capacity to solve the problem of youth employment.

The school enrolment rate for girls is higher than that of boys, thanks to awareness campaigns and free schooling (MENET-FP, 2017). Despite the government's efforts to boost girls' levels of education, the results show that they still face difficulties in entering the job market. These difficulties could be understood, not only through discriminatory practices, but also through the family constraints they face. A thorough study on these issues would shed light on them.

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