



Institute of Policy Analysis
and Research - Rwanda

School-to-Work-Transitions in Rwanda: Drivers and Policy Options

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Introduction

- This paper is based on the analysis of Rwanda school-to-work transition survey” (SWTS).
- ILO Methodology to quantify the relative ease or difficulty faced by young people in “transiting” to a job that meets the basic criteria of “decency”.
- A decent job provides the worker with a sense of
 - Permanency,
 - Security
 - Personal satisfaction.

Study objectives

- To get a deeper understanding of the challenges that youth encounter in entering and remaining in the labor markets
- To understand the drivers of School-to-Work Transitions for Youths in Rwanda and provide Policy Options.
- To do an in-depth analysis of issues such as job search and recruitment methods
- To understand the determinants of the earnings of young workers in Rwanda

Methodology

- Using a questionnaire, primary data was collected from selected districts in the five provinces of Rwanda using a stratified random sampling.
- Sample size is of 2500 youths throughout the country
- Survey combined with key informant interviews and focus group discussions to get deeper insights
- The youth were classified into different categories including:
 - Youth in school,
 - Unemployed youth,
 - Employed youth,
 - Self-employed youth,

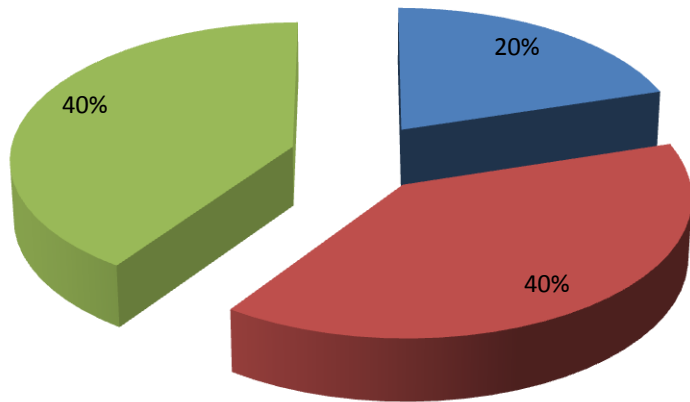
ILO classification of the School-to-Work Transitions

- **Transited – A young person who has “transited” is one in a**
 - Fixed-term and satisfactory job;
 - Fixed-term but non-satisfactory job;
 - Temporary but satisfactory job; or
 - Self-employed and satisfied
- **In transition – A young person is still “in transition” if s/he**
 - currently unemployed;
 - currently employed (wage & salaried worker) with no contract;
 - currently employed in a temporary and non-satisfactory job;
 - currently self-employed and unsatisfied; or
 - currently inactive and not in school, with an aim to look for work later.
 -
- **Transition not yet started – A young person who has “not yet transited” is one who is either**
 - still in school; or
 - currently inactive and not in school, with no intention of looking for work.

Nature of youth school-to-work transition of in Rwanda

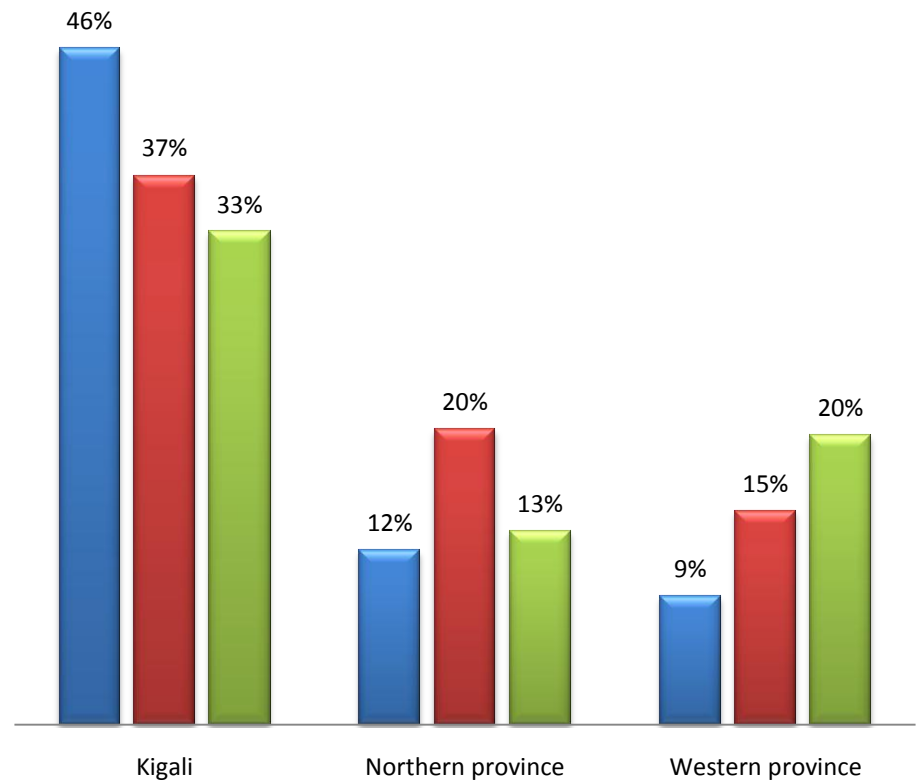
Rwanda Youth School to work transition rates

■ Transitioned ■ In transition ■ Transition not yet started

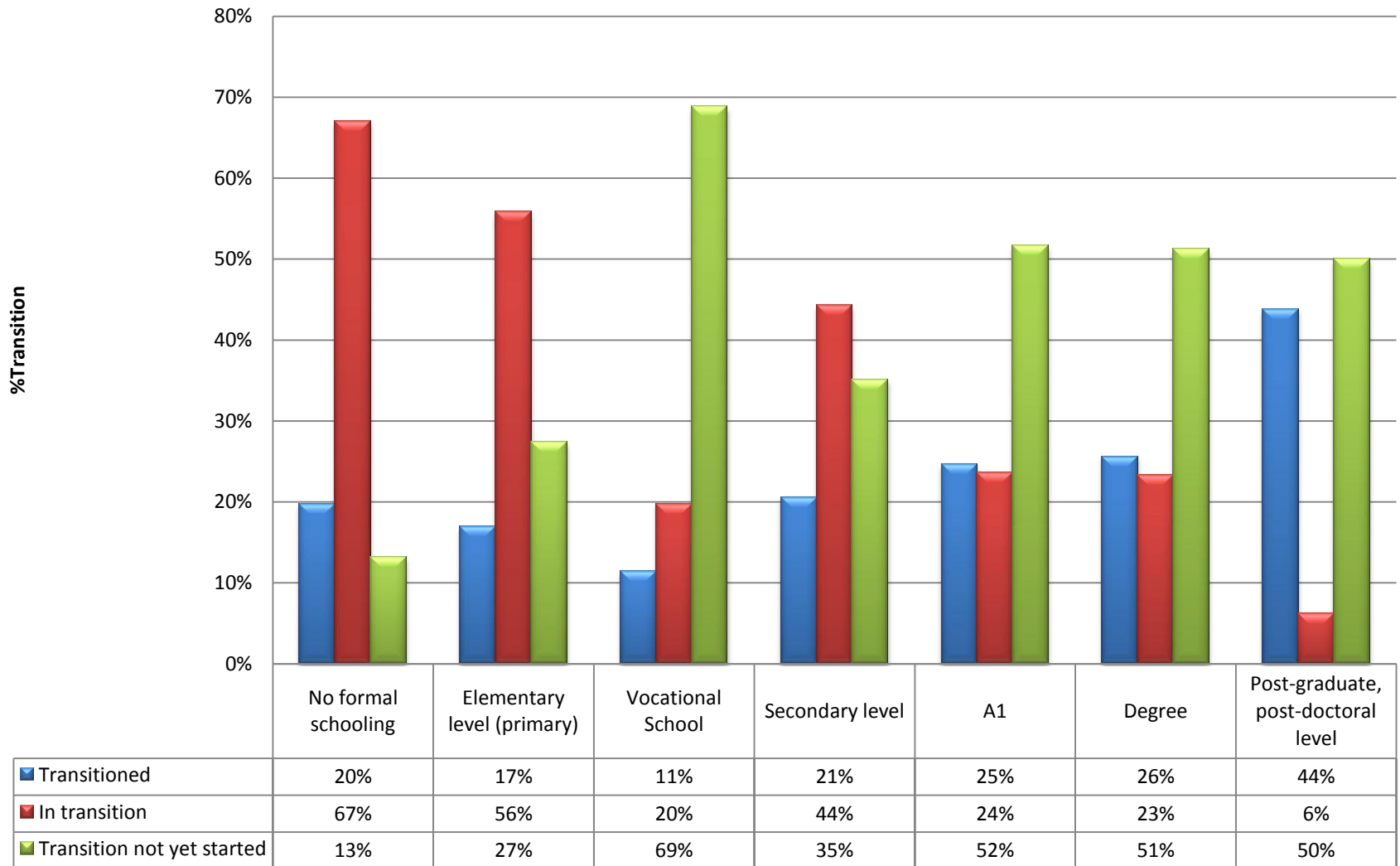


Youth Transitions by province

■ Transitioned ■ In transition ■ Transition not yet started

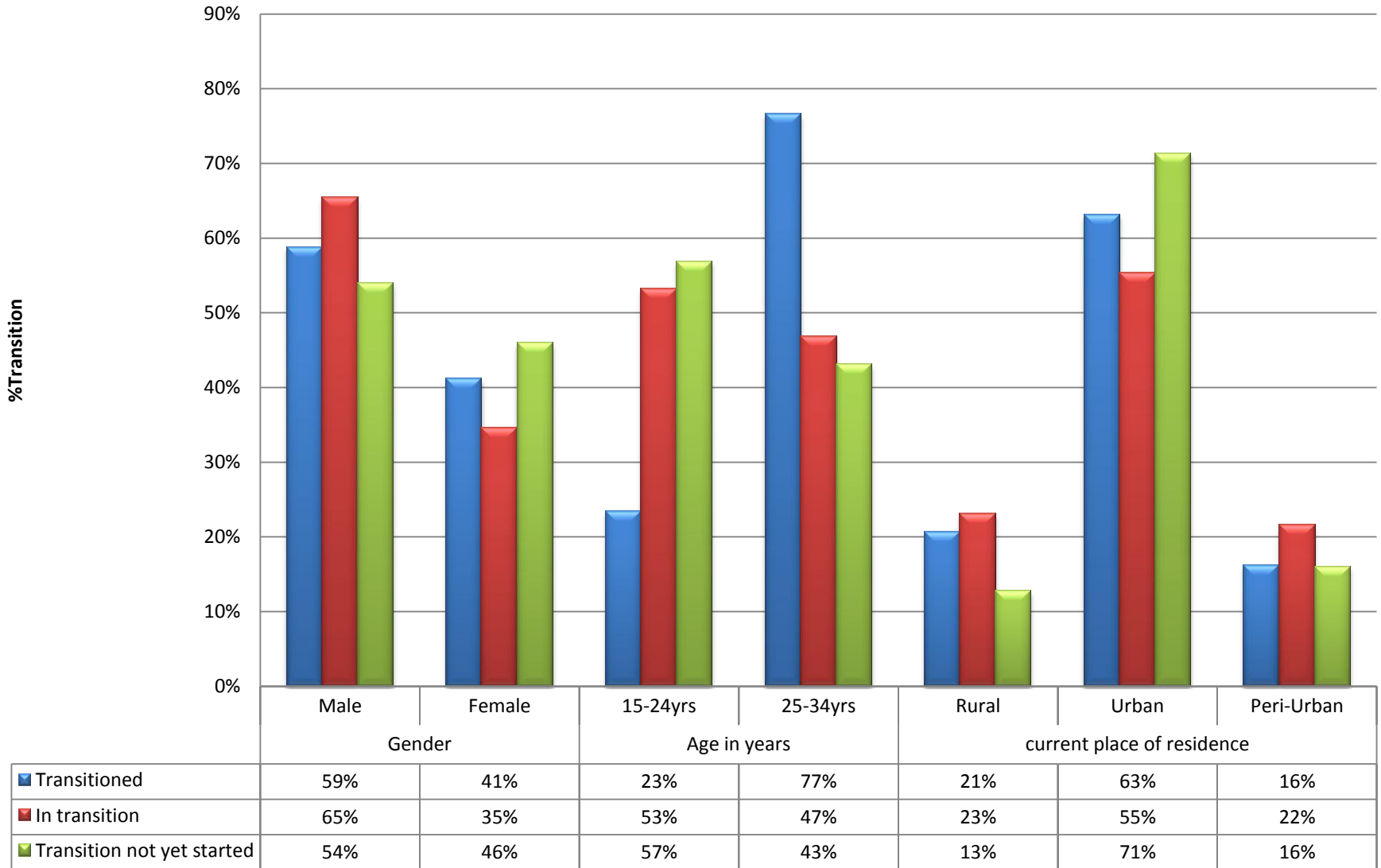


Transition Stage by Education



Youth with a university degree and postgraduate education make more successful school to work transitions than their less educated peers

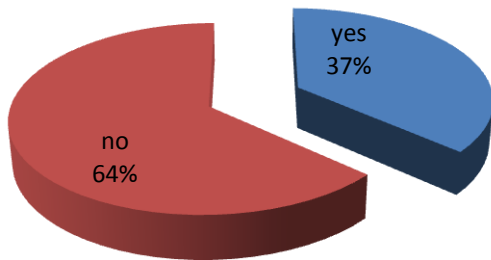
School to Work Transitions by Gender ,Age and Location



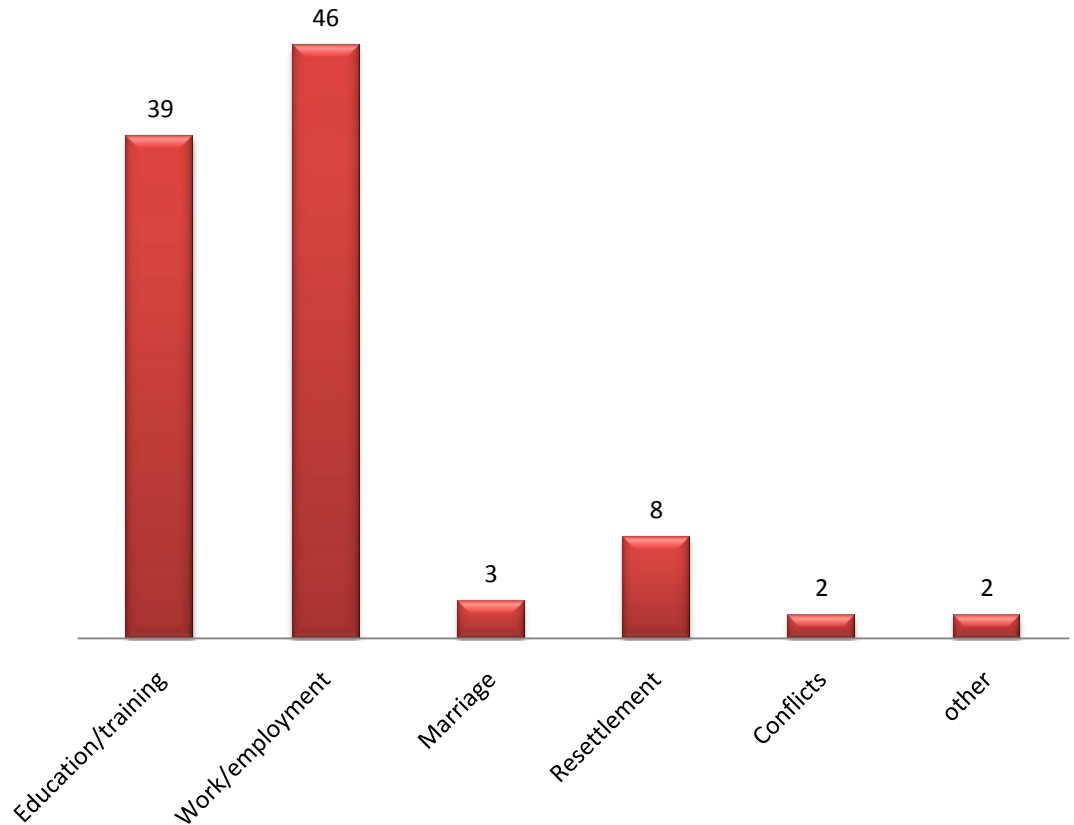
Male youth , Older youth and youths in Urban show higher transition rates than their female, younger and rural based counterparts

Youth Migration Patterns and Motivations

Do you live and/or work in the same area you grew up?

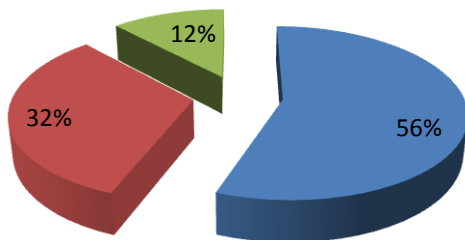


■ If this is not your original place of residence, what was the main reason for moving to your current residence?



Describe your original place of residence

■ Rural ■ Urban ■ Peri-urban



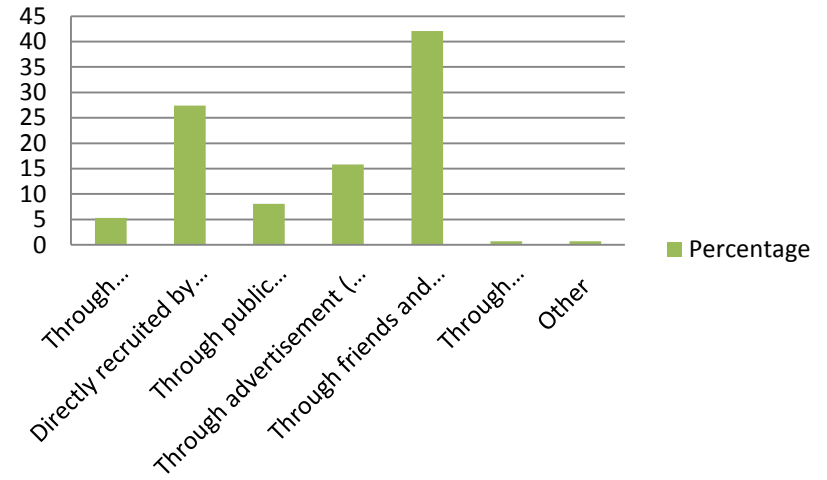
An Ordered Logistic Estimation of the Drivers of School-to – Work Transitions in Rwanda

Ordered logistic regression		Number of obs	=	1235
		LR chi2(20)	=	227.56
		Prob > chi2	=	0
Log likelihood =	-1166.54	Pseudo R2	=	0.0889
Transition	Coef.	Std. Err.	z	P>z
Age	-0.99001	0.122753	-8.07	0.000***
Gender	0.118646	0.117405	1.01	0.312
Urban	0.460014	0.159601	2.88	0.004
Rural	-0.33876	0.185671	-1.82	0.068
Kigali	-0.08797	0.176483	-0.5	0.618
Eastern_province	0.060714	0.206227	0.29	0.768
Western_province	0.823403	0.209705	3.93	0.000***
Southern_Province	0.503539	0.22288	2.26	0.024**
Primary_educ	0.515349	0.293385	1.76	0.079
Vocational~h	1.705589	0.343357	4.97	0.000***
Secondary_~c	0.478775	0.289801	1.65	0.099
A1	1.125741	0.363984	3.09	0.002**
Degree	0.910049	0.313165	2.91	0.004**
postgraduate	0.789968	0.816937	0.97	0.334
Migrated	0.524831	0.124461	4.22	0.000***
F_Indusrt_~e	0.272196	0.247855	1.1	0.272
F_Service	0.387073	0.19655	1.97	0.049*
F_Unpaid_f~r	-0.22296	0.271789	-0.82	0.412
F_Unemployed	-0.03953	0.212248	-0.19	0.852

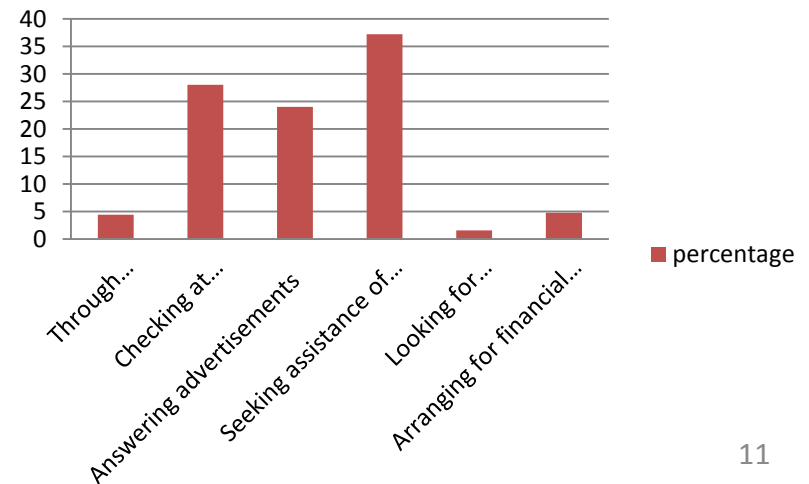
JOB SEARCH AND RECRUITMENT METHODS

- The search method groupings consist of education, public, private, direct media, family and friends and other methods.
- For job search methods, private and social network of family and friends constituted one of the most frequently used channel of looking and finding work.
- For the youth who are still in school but searching for jobs, their intended search methods proved to be different from those in the labour market already. Instead answering advertisements tend to be the most important method of search.
- Majority of the youth regardless of sex, age, location or education attained, they enter the labour market through informal social ties.

Job search method by employed



Job search methods by unemployed



Youth Aspirations, Expectations and Earnings

- This tries to extend some visible indications on what happens to youths once they enter labor markets and whether the existing earning distributions hamper their transitions.
- The gap between reservation income and actual income distribution can contribute further to understanding youth's behavior vis-à-vis the labor markets they are facing.
- What youths earn can directly affect their well-being and that of their household at large.

Actual and reservation incomes of the youth in Rwanda

- The active search period for a job and the type of job offers that the youth are accepting, can be affected by their peers' earnings, if the former has fair knowledge of these earnings.
- The relationship between reservation income and actual income provides some background indication on whether youths are not employed because their expectations are too high.
- During the school to work transition survey a question was asked to the youth whether there is minimum wage level per month below which they would not accept given job offer.

Is there a minimum wage below which you could not accept any job?

- For the 20% of who said no, either they had experienced long unemployment period and they were losing hope of finding job or their personal characteristics to find job were still low.
- However, looking at the 80% who have a minimum level of wage below which they would not accept a job, lets see if their reservation income distribution could not hamper their job findings.
- This can be found out by comparing the actual earnings and the reservation earnings.

Table showing minimum wage that would be refused by employed and unemployed

		Unemployed youth	employed youth
		Minimum wage that would be refused	Monthly income
N	Valid	318	277
Mean		76110.0629	110645.343
Median		50000	60000
Maximum		500000	960000

Looking at the statistical summaries , actual monthly income is greater than reservation income. Hence, the expectations of the unemployed youth can not hamper their job finding.

OLS ESTIMATION OF THE DETERMINANTS OF EARNINGS AMONG EMPLOYED YOUTHS IN RWANDA.

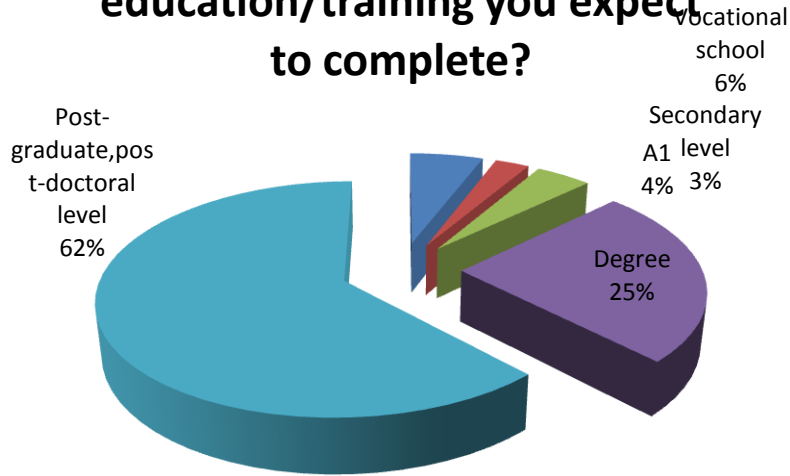
- We specify the model as follows;
- $\text{Log income} = \beta_0 + \beta_1 \text{Age} + \beta_2 \text{Gender} + \beta_3 \text{Education} + \beta_4 \text{Form of employment} + \beta_5 \text{Employment contract} + \beta_6 \text{Hours worked per week} + \beta_7 \text{Occupational class} + \beta_8 \text{Place of residence} + \beta_9 \text{Provinces} + \varepsilon$
- Where;
 - β_0 = Constant
 - ε = Error term
- The following characteristics below drive the earnings of the employed youth; Age, gender, education, form of employment, employment contract, hours worked per week, occupational class, place of residence and provinces.
- From the analysis and interpretation from the table below, Higher education, current place of residence, provinces and contracts have a positive impact on the earning of the youth.

OLS Estimation of the Earnings of employed youth in Rwanda

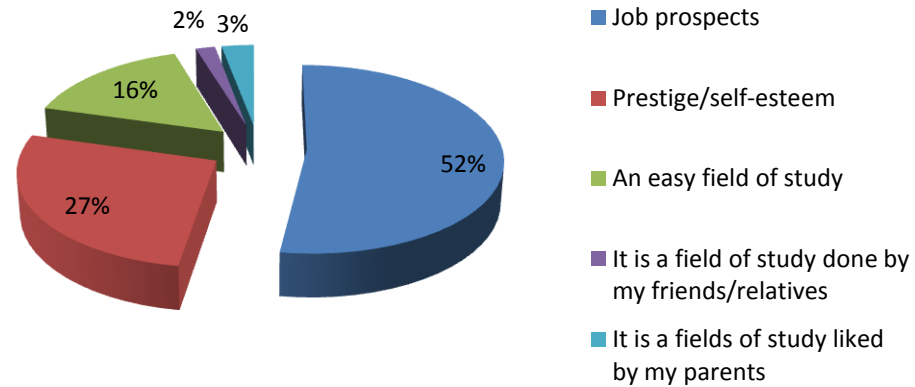
Log income	coefficients	Std.Err	P>t
Age	0.1165998	0.244003	0.633
Gender	-0.128833	0.217993	0.555
No formal schooling	-0.445284	0.705575	0.529
Vocational	0.661893	0.48574	0.174
A1	-0.38781	0.522449	0.459
Secondary	0.2589803	0.308882	0.403
Degree	0.5101347	0.396094	0.199
Post graduate	1.804131	0.848771	0.035*
Formally employed(private)	-0.172513	0.312511	0.581
Family Workers	-5.420104	0.722503	0**
Informally employed(private)	0.1083098	0.384698	0.779
Permanent contract(oral)	0.5407783	0.359269	0.134
Temporary contract(oral)	0.0351387	0.422859	0.934
Permanent contract(written)	0.8063399	0.35274	0.023*
Temporary contract(written)	0.8342	0.384185	0.031*
Manual	-0.455375	0.30639	0.138
Clerical	0.0689266	0.41606	0.869
Administration	0.7043311	0.411745	0.088
Managerial	0.1131814	0.388528	0.771
Professional	0.1431232	0.400464	0.721
Peri-urban	-1.216891	0.418681	0.004**
Urban	0.4718522	0.315634	0.136
Hours worked	0.004843	0.005523	0.381
Eastern	0.4236815	0.353707	0.232
Northern	0.0663102	0.331064	0.841
Southern	-0.773781	0.351229	0.028*
Constant	9.817772	0.876447	0

Youth Aspirations

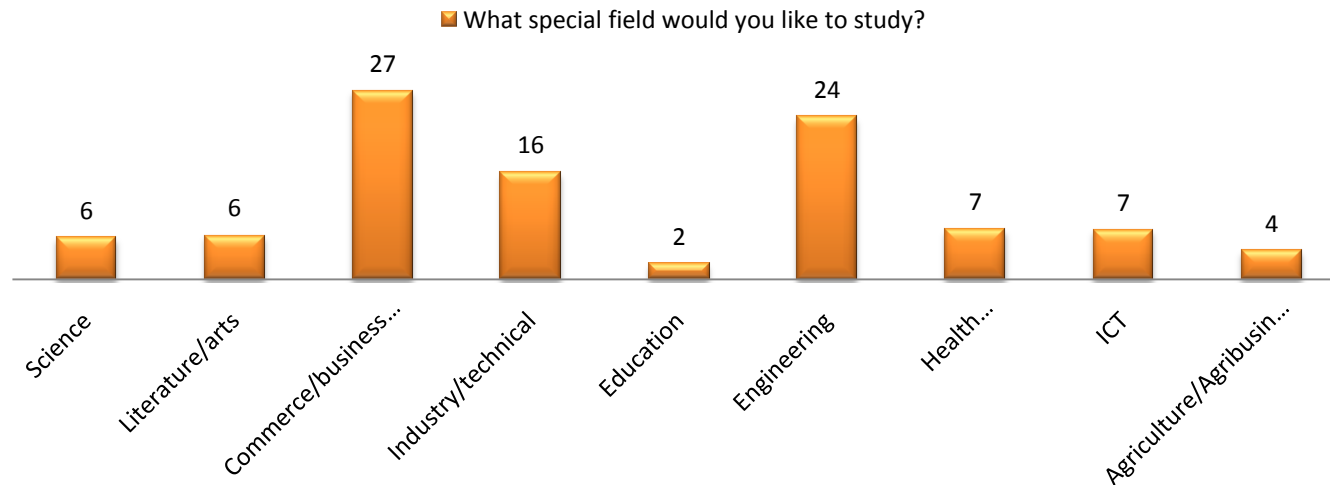
What is the highest level of education/training you expect to complete?



What is the main reason for the choice of the field of study?



What special field would you like to study?



Recommendations

- Policy makers should facilitate more youth to acquire quality and higher education levels
 - This will enable them to get well paying jobs hence increase their income.
- Development of secondary cities to avail more well paying job opportunities in rural areas and other provinces besides Kigali.
- Enforce employment rules and regulation to secure jobs so that employees get contracts to access some benefits such as loans.
- Internships needed much earlier in education cycle for youth to develop social networks, employable skills and competencies based on passions/interests
- Intensifying Career guidance and the Provision of timely and relevant labour market information in order to reduce information asymmetries between the supply and demand of the labour market.



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