

The ILO Work4Youth project worked with the National Statistical Office of Malawi to implement two rounds of the School-to-work transition survey (SWTS) in 2012 (August–September) and 2014 (September). The results of the first survey were published in Richard Mussa (2013): *Labour market transitions of young women and men in Malawi*, Work4Youth Publication Series No. 4 (Geneva, ILO). A report on the second round results is in progress. The objective of this country note is to offer a general summary of youth labour market trends in Malawi based on the SWTS. Youth is defined as 15–29.

Main findings of the ILO SWTS

Human capital and mismatch

- Most of the surveyed youth had attended school or a training programme at some point in their lives (93.0 per cent in 2014). However, less than half of the youth population had either completed school (13.8 per cent) or was currently attending school (31.8 per cent). Still, 7.0 per cent of youth remain with no education at all and 47.3 per cent has left school prior to completion primarily for economic reasons. Young women remain disadvantaged in terms of access to education.
- SWTS results showed a strong correlation between the levels of education and a young person's labour market transition: the higher the educational attainment, the more likely a young person was to complete his or her labour market transition to stable and/or satisfactory employment.
- With few youth in Malawi able to stay in school to the secondary level or beyond, it is not surprising to find the vast majority of employed youth undereducated for the job they are doing (81.5 per cent in 2014). Very rarely are the respondents classified as overqualified for their job (1.9 per cent).
- Students in Malawi showed strong preferences for finding future work in modern sector jobs, such as professionals (63.4 per cent) and managers (17.4 per cent). However, the shares of youth working as professionals remain very low (2.5 per cent), thus signalling a labour market mismatch.

Underutilization of the youth labour potential remains a top concern

- The youth labour underutilization rate in Malawi is high at 77.5 per cent in 2014, down slightly from 78.8 per cent in 2012. The share of underutilized labour potential consists of 61.1 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract of less than 12 months), 11.2 per cent unemployed and 5.1 per cent inactive non-students.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote 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.

See the website www.ilo.org/w4y for more information.

- The youth unemployment rate (relaxed definition)¹ decreased from 18.9 per cent in 2012 to 13.7 per cent in 2014. The youth unemployment rate (strict definition) also showed a decrease between the two years (7.8 to 5.6 per cent). The unemployment rate of young women is consistently higher than that of young men.
- The duration of unemployment can be long. More than one in three (37.0 per cent) unemployed youth had been looking for work for longer than one year in 2014.
- The share of youth neither in employment nor in education or training (NEETs) in Malawi is not high and declined between 2012 and 2014 (from 17.6 to 13.8 per cent). The share among young women was almost three times that of young men (at 20.1 and 7.1 per cent, respectively), and is explained primarily by the inability of many young women to go to school and the early age of marriage and family formation.

Low quality jobs remain a strong hindrance to the country's productive transformation

- More than two in three (70.9 per cent) youth in Malawi is employed, with too many working from a very young age; 14.0 per cent of young adolescents aged 15–17 were out of school and working.
- Three in four (74.6 per cent) youth remained in vulnerable employment as own-account workers (57.6 per cent) or unpaid family workers (17.0 per cent). At the same time, almost three in four (74.9 per cent) of the youth in paid employment were engaged without a written contract.
- Agriculture continues to absorb the largest portion of Malawi's young workers (56.6 per cent of young male workers and 60.3 per cent of young female workers), followed by service sector activities.
- Informal employment affects more than nine in ten young workers in Malawi, despite a slight decrease between 2012 and 2014 (96.3 to 93.2 per cent, respectively).
- More than half (55.8 per cent) of employed youth worked less than 20 hours during the reference week.

Selection of data tables

Table 1. Youth population by educational status and sex, 2012 and 2014 (%)

Educational status	2012			2014		
	Total	Male	Female	Total	Male	Female
Never attended school	5.9	2.9	4.4	7.0	5.9	7.9
Dropped-out before graduation or completion of school	62.6	44.5	54.0	47.3	41.1	53.2
Currently attending school	27.7	45.4	36.2	31.8	37.4	26.5
Education completed	3.8	7.2	5.4	13.8	15.5	12.3
Total	100	100	100	100	100	100

Table 2. Key youth labour market indicators – traditional distribution by sex, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Employed	66.5	70.9	73.2	75.7	60.3	66.3
Unemployed	5.6	4.2	4.3	3.7	6.8	4.7
Inactive	27.9	24.9	22.4	20.6	32.9	29.0
Total youth population	100	100	100	100	100	100
Youth labour force participation rate	72.1	75.1	77.6	79.4	67.1	71.0
Youth unemployment rate (strict definition)	7.8	5.6	5.6	4.6	10.1	6.7

¹ The “strict” definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The “relaxed” definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

Table 3. Key youth labour market indicators – alternative distribution by sex, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
In regular employment	8.1	9.3	11.1	14.2	5.4	4.7
In irregular employment	57.8	61.1	61.5	60.7	54.5	61.5
Unemployed (relaxed)	15.5	11.2	10.5	7.2	20.1	15.1
Inactive students	12.5	12.7	14.1	14.6	11.1	11.0
Inactive non-students	5.5	5.1	2.2	2.5	8.5	7.6
Total youth population	100	100	100	100	100	100
Youth unemployment rate (relaxed definition)	18.9	13.7	12.5	8.7	25.0	18.5
Youth labour underutilization rate	78.8	77.5	74.2	70.4	83.1	84.2

Table 4. Youth neither in employment nor in education or training (NEETs) by sex and composition, 2012 and 2014 (%)

	2012			2014		
	NEET rate	of which:		NEET rate	of which:	
		Inactive non-students	Unemployed non-students		Inactive non-students	Unemployed non-students
Total	17.6	13.3	4.3	13.8	10.6	3.1
Male	8.9	6.0	2.9	7.1	4.6	2.5
Female	25.5	19.9	5.6	20.1	16.3	3.7

Table 5. Distribution of youth employment by sector, aggregate and 1-digit level, and sex, 2012 and 2014 (%)

Sector	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Agriculture	47.2	58.4	46.3	56.6	48.2	60.3
Industry	13.9	15.4	16.9	18.3	10.7	12.4
Services	38.9	26.2	36.6	25.1	41	27.2
Agriculture, forestry and fishing	47.2	58.4	46.3	56.6	48.2	60.3
Mining	0.2	3.4	0.3	3.4	0.1	3.5
Manufacturing	10.3	7.7	11.7	7.8	8.8	7.6
Construction	3.4	4.3	4.9	7.1	1.8	1.3
Wholesale and retail trade	27.4	9.8	23.3	7.6	31.9	12.1
Transport	1.9	1.6	3.6	2.8	0	0.4
Accommodation	0.6	1.7	0.6	1.0	0.5	2.4
Information and communications	0.3	2.2	0.5	1.5	0.1	3.0
Financial activities	0.2	0.1	0.2	0.1	0.2	0
Professional scientific activities	0.3	0.2	0.5	0.3	0	0
Administrative and support activities	0.1	0.3	0	0.4	0.1	0.2
Public administration	0.2	0.3	0.3	0.6	0	0
Education	1.4	1.7	1.6	2.9	1.1	0.4
Health and social work	0.4	0.5	0.5	0.7	0.4	0.3
Arts and entertainment	0.3	0.5	0.6	0.8	0	0.2
Other services	2.5	3.7	2.9	3.7	2.0	3.7
Private households	3.3	3.6	2.0	2.7	4.7	4.5

Table 6. Employed youth by status in employment and sex, 2012 and 2014 (%)

Status in employment	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Wage and salaried workers (employees)	20.8	22.4	25.5	32.5	15.5	11.6
Employers	1.9	1.7	2.2	1.8	1.5	1.5
Own-account workers	61.0	57.6	56.1	49.6	66.5	66.2
Contributing (unpaid) family workers	15.5	17.0	15.3	14.4	15.8	19.9
Members of producers' cooperatives	0.3	0.7	0.4	1.1	0.3	0.2
Not classifiable by status	0.5	0.6	0.5	0.7	0.5	0.5
Total employed youth	100	100	100	100	100	100

Table 7. Youth wage and salaried workers by type of contract and sex, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Written agreement	17.8	25.1	16.7	25.3	19.8	24.5
Oral agreement	82.2	74.9	83.3	74.7	80.2	75.5
<i>Contract duration:</i>						
Unlimited duration	43.3	45.7	43.5	45.7	43.0	45.9
Limited duration	56.7	54.3	56.5	54.3	57.0	54.1
Less than 12 months	50.5	48.7	49.6	47.6	52.1	52.2
12 months to less than 36 months	4.2	4.3	5.5	5.4	1.9	0.9
36 months or more	2.0	1.3	1.4	1.4	3.0	1.0
Total young wage and salaried workers	100	100	100	100	100	100

Table 8. Youth informal employment by sex and composition, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Youth informal employment rate	96.3	93.2	95.3	92.5	97.5	93.9
Of which:						
Informal employment outside the informal sector (share in informal employment)	5.9	9.6	7.0	13.9	4.7	5.0
Employment in the informal sector (share in informal employment)	90.4	83.6	88.3	78.7	92.8	88.9

Table 9. Employed youth by overeducation, undereducation or matching qualifications and sex, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Undereducated	82.9	81.5	80.2	81.0	85.4	81.9
Overeducated	1.6	1.9	1.6	2.0	1.6	1.8
Matching qualifications	15.5	16.6	18.2	16.9	13.0	16.2
Total employed youth	100	100	100	100	100	100

Table 10. Youth unemployment rates by level of completed educational attainment and sex, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Less than primary (including no schooling)	6.5	4.4	3.4	2.1	8.8	6.4
Primary	10.6	4.7	8.2	2.9	12.7	6.3
Secondary vocational	-	6.0	-	4.9	-	8.3
Secondary general	11.6	10.6	8.9	12.7	14.9	8.0
Post-secondary vocational	-	1.6	-	-	-	7.6
University and postgraduate studies	9.4	9.7	9.7	14.0	9.0	-

Table 11. Unemployed youth by duration of job search and sex, 2012 and 2014 (%)

Duration of job search	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Less than a week	4.2	13.2	5.3	10.6	3.6	15.2
1 week to less than 1 month	14.9	11.4	18.4	18.5	12.9	6.2
1 month to less than 3 months	19.1	13.2	19.3	5.7	18.9	18.7
3 months to less than 6 months	8.0	15.0	6.3	12.1	9.1	17.1
6 months to less than 1 year	10.1	10.2	13.1	15.9	8.4	6.0
More than a year	43.6	37.0	37.7	37.2	47.1	36.8
Total unemployed youth	100	100	100	100	100	100

Table 12. Youth by stages and subcategories of transition by sex, 2012 and 2014 (%)

Stage of transitions	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Transition completed	17.1	21.5	16.5	21.8	17.7	21.3
Transited to stable employment	3.7	6.3	4.8	9.4	2.6	3.3
Transited to satisfactory temporary employment	0.8	0.7	0.9	1.0	0.7	0.4
Transited to satisfactory self-employment	12.6	14.6	10.7	11.4	14.4	17.6
In transition	69.3	64.2	69.1	63.1	69.4	65.2
Unemployed (relaxed definition)	12.1	8.6	6.7	4.6	17.0	12.5
In non-satisfactory temporary employment	4.7	5.3	6.0	8.2	3.4	2.6
In non-satisfactory self-employment	24.5	27.2	23.2	25.1	25.6	29.2
Active students	23.7	19.1	31.4	22.9	16.6	15.5
Inactive non-students with aim to work in the future	4.4	3.9	1.8	2.4	6.7	5.4
Transition not yet started	13.6	14.0	14.4	14.7	12.9	13.2
Inactive students	12.5	12.7	14.1	14.6	11.1	11.0
Inactive non-students with no plans to work in the future	1.1	1.2	0.3	0.2	1.8	2.2
Total youth population	100	100	100	100	100	100

Note: Unless other specified, the categories exclude current students.