

# Policy Brief



## Does obtaining a lot of schooling guarantee a quick transition to employment? Evidence from TVET graduates in Tanzania

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### Key messages:

- ♦ Most youth experience short periods of unemployment, however, over a quarter experience long periods of unemployment
- ♦ Attaining higher levels of education guarantee youths quick transition to employment



## Introduction

This brief assesses the effect of the length of schooling on how long a Technical and Vocational Education Training (TVET) graduate spends unemployed. The analysis is motivated by observations that despite some 800,000 to 1,000,000 of graduates entering the labour market in Tanzania every year (NBS, 2015), on average the economy creates only about 250,000 jobs a year, with most graduates taking about 5.5 years to secure a wage job (Haji, 2015). In Tanzania, while many studies have focused on the incidence of unemployment (See Ndyali, 2016; Kipesha & Msigwa, 2013; Manacorda, 2008), few have explored unemployment duration. This brief will highlight the concept of unemployment duration that graduates experience on their transition to employment.

The period that a person stays without employment after completion of studies is very crucial as it is the time that a graduate is expected to put the knowledge, skills and abilities gained from school into practice. In Tanzania, the Integrated Labour Force Survey revealed that 41% of youth experience long-term unemployment<sup>1</sup>. The length of time that job seekers stay unemployed comes with its effects. It is believed that experiencing long spells of unemployment decreases future employment possibilities due to loss of skills and knowledge as argued by Abraham et al, (2016). Krueger et al, (2014) added that the longer job seekers stay unemployed, the less attached they become to the labour market. With such prolonged unemployment, youths are more likely to be exposed to jobs that require general knowledge and not necessarily their profession. Such jobs include bank tellers, customer service, and the likes. The weight of these long-term consequences of unemployment provides considerable grounds for further policy analysis.

Previous studies on lengths of unemployment spells discovered a remarkable relationship between education attainment and periods of unemployment from different cases. Grogan & Van den Berg, 2001; Kherfi, 2015; Lindsay, McCracken & McQuaid, 2003 found a positive relationship between unemployment duration and education attainment which implies that the higher the levels of education a graduate attains, the shorter he/she will stay without a job.

This brief uses data collected by REPOA in September 2018 based on a purposive sample of 210 TVET graduates. The sample included graduates from Dar es Salaam, Arusha, Morogoro, Dodoma, Lindi and Mbeya. The analysis makes use of descriptive statistics to assess unemployment period that was specified by the employed graduates and their levels of TVET attainment.

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<sup>1</sup> Long-term youth unemployment is defined as the measure of incidence of youth long-term joblessness for a period of one year or more, NBS (2015).

## Findings

### Unemployment duration among graduates

When asked on the length of time graduates stayed unemployed after graduation, a relatively large majority (41%) experienced unemployment for a period of less than a year, 29% less than a month and 19% for a period of between one and two years. Only 11% said it took them more than two years to find a job. These findings suggest that most graduates experience short period of transitions to employment, although about a fifth of the surveyed graduates experienced longer period of transition to employment. Therefore, the long-term unemployment effects make substantial share of youth to be in a disadvantaged position in the labour market once they stay longer without employment.

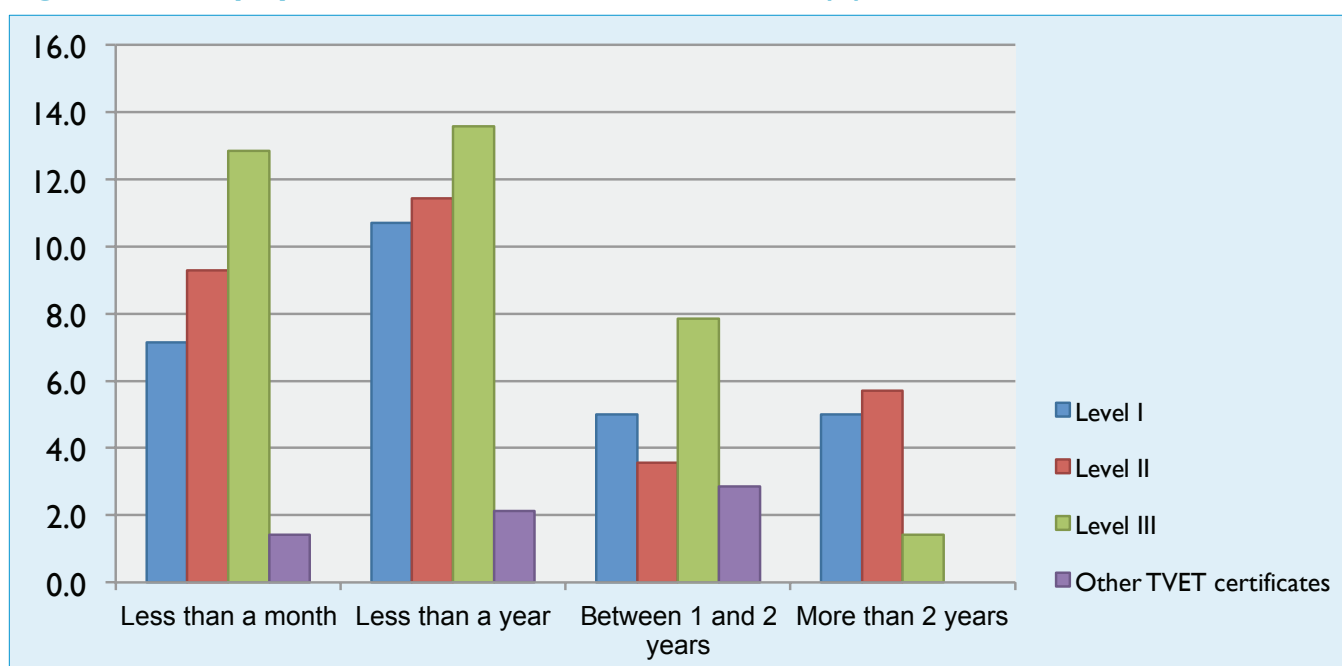
**Table I: Unemployment duration among VET graduates**

Unemployment duration	Percentage
Less than a month	29
Less than a year	41
Between 1 and 2 Years	19
More than 2 years	11
Total	100

Source: Field data, 2018

### Unemployment duration and education attainment

**Figure I: Unemployment duration and VET attainment (%)**



Source: Field data, 2018

While findings show a considerable number of youths fall into long term unemployment, it is also noteworthy to identify at which levels of education youths are more likely to fall into long or short term unemployment. From figure 1 below, results demonstrate that out of 29% graduates that stayed unemployed for less than a month, 13% attained level III of TVET education followed by level II graduates who were 9%. Likewise for the graduates that experienced unemployment for less than a year, 14% attained level III and 11% attained level II of TVET education. Unemployment of between 1 and 2 years was mostly experienced by graduates with level III and level I with 8% and 5% respectively. Lastly, graduates that had the longest term of unemployment (more than 2 years) were 6% and 5% and they possessed level II and level I of education respectively. Generally these findings support the view by (Grogan & Van den Berg, 2001; Kherfi, 2015; Lindsay, McCracken & McQuaid, 2003) as they show a tendency of a decrease in unemployment period when the level TVET attainment increases. Through the purpose that education and training serve, these results illustrate how important it is to achieve higher levels of training in shortening the period of unemployment.

## Conclusion and recommendation

Using data from the field, this brief aimed at exploring how long it takes for young graduates to transit to employment with their respective levels of education attainment. Results point out that most graduates experience a short transition (less than a year) whilst a significant number experience long transitions (a year or more) to employment. With these findings, it is indicative that the future employment possibilities of youth that experience longer transitions to employment will be affected if there is no effective system in place which is set to assist such group of graduates as suggested by Abraham et al, (2016). In addition, these results highlight the importance of

pursuing higher levels of TVET as it does not only ensure employment but also shortens the period of joblessness.

Given the implications of the results obtained in this analysis and the effects of long term unemployment, it is evident that there is a need to assist youth that experience longer unemployment spells. Therefore to address this particular problem; the Ministry of Education in collaboration with employers may work together to expand the coverage of active labour market programmes in place such as graduate placements to ease graduates' transitions and enhance their employability.

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