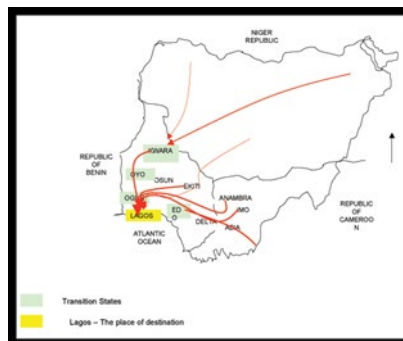


FACTORS HINDERING TRANSITION FROM INFORMAL TO FORMAL JOBS: PERCEPTIONS OF MIGRANT YOUTH

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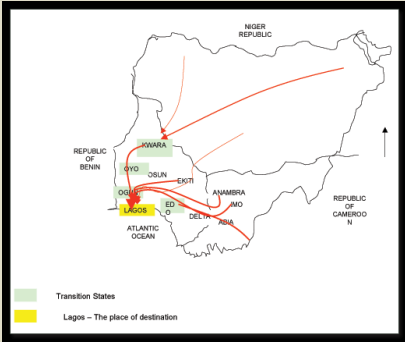
Result

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Recommendation

Background to the study

- Lagos State, Nigeria is host to millions of migrant youths both from within Nigeria and other West African countries (Kanbur, 2017; Oosterom,2018)
- Aspirations for a better quality of living standard is key to rural urban movement.
- Informal employments in Nigeria account for over 60% of employment which is consistent with the global average (ILO, 2018). Decent Job Agenda. SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- In Lagos, the increasing youth population involved in precarious working conditions in informal unemployment is creating problems both sociologically and economically (Oduwole, 2015, Aye, 2017).
- The informal sector is thus even considered as a lifesaver by certain sections of the population especially migrant youths. Lagos has a Population of about 20 Million People.



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Objective of the study

Specifically, this study seeks to answer determine to what extent do factors like skills, information, infrastructure, institutional and social constraints limit the transition of migrant youths from informal jobs to formal jobs in Lagos?”



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Literature review - Theoretical

- ❖ Human capital is the key theory that was adopted. We also reviewed the push-pull theory too both from the Functionalist Migration School.
- ❖ Migrants' move can be seen as a form of human capital investment (Kosack, 2020). Migrants expect to get higher returns on their investment, efforts and time in certain cities or countries (Benneworth and Herbst, 2015).
- ❖ The human capital theory was propounded by Becker (1964) and Mincer (1958) to evaluate the allocation of income amongst employees. According to Becker (1964), human capital is viewed as the proficiency and knowledge acquired from educational institutions, on-the-job training, and the accumulation of relevant experiences. *(Cano-Urbina, 2016; Sanford and Sokol, 2017).*



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Literature review - Empirical Review.

- ❖ **Government policies** that reduce the cost of formal employments or increase the cost of informal employments significantly enhance the ratio of formal jobs relative to informal jobs and consequently bring down the rate of unemployment. - Bosch and Esteban-Pretel, (2012)
- ❖ **Income differentials** existing between informal and formal job roles as well as, the growing rate of unavailable employment opportunities have led the rising need of informal employees to transit to the formal sector (Todaro and Smith 2015)
- ❖ There is a segment of the informal labour market with **limited possibilities of upward** mobility and a different perspective that it is **dynamic entrepreneurial option** to wage jobs. Gutierrez *et al*, (2019)



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Literature review - Empirical Review- cont't.

❖ Females are significantly disadvantaged in terms of labour market transitions.

Tansel and Acar (2017)

❖ **Higher education** enhances transition into formal employment and structure of industry affects ease of transition. - Tansel and Acar (2017)

❖ Managing and absorbing rural urban migrants with a unique, **different or limited skill set** into the already saturated urban formal space with other mirage of socio-economic problems is a daunting task in Lagos state (Oyebamiji and Asuelime, 2018)

Methodology



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❖ *This study is largely qualitative* and descriptive . Primary Data was obtained via :*

❖ *A structured questionnaire is administered among 150 migrant youths selected across informal settings in Lagos*

❖ *A structured face-to-face interview for 40 selected youth migrants.*

$$TFJ_t = \delta_1 + \delta_2 FJS_t + \delta_3 FJI_t + \delta_4 FJSC_t + \delta_5 FJk_t + \varepsilon_t$$

TFJ = Transition to Formal Jobs

S_t =Skills , I_t = information , k_t = Infrastructure , SC_t = Social Constraints, ε_t is the error term

* A more robust analysis of the data is currently ongoing



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	<i>n</i>	Percent
<i>Gender</i>		
Female	49	33
Male	101	67
<i>Age</i>		
22 or less	8	5.3
23-30	68	45.3
31-35	43	28.7
above 35	31	20.7
<i>Are you a migrant in Lagos</i>		
Yes	112	75
No	38	25
<i>Level of education</i>		
Tertiary Education	84	56
Post Graduate	66	44
<i>Where did you migrate to Lagos from?</i>		
South West	48	32.0
South East	37	24.7
South South	41	27.3
North Central	24	16.0
<i>How long have you been working or have worked in the informal sector?</i>		
Less than one year	36	24.0
1-3 years	54	36.0
4-7 years	32	21.3
8-10 years	28	18.7

Result

Respondent characteristics



Factors restricting migrant from moving from informal job to formal job

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Factors that impact your ability to move from informal to formal job

Strongly disagree

Disagree

Uncertain

Agree

Strongly agree

Education	16.2%	7.5%	10%	20.3%	36.0%
Information on job opportunities	26.7%	-	15.3%	38.7%	19.3%
Gender	19.3%	44.0%	23.3%	13.3%	-
Tribe	4.3%	20.7%	26.0%	16.0%	33.0%
Infrastructure	14.0%	27.3%	22.0%	23.3%	13.3%
Finance or Funding	-	8.0%	5.3%	62.0%	24.7%



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Notable quotes from respondents.

...“I have not been able to transit to formal employment because I lack adequate experience, most jobs require minimum of two years experience which I don't have”..

.....Due to my grade, I have found it difficult to get opportunities to interview in formal organisations.

....”If you do not get a formal job straight from university and you are in the informal sector, the longer you are their the more difficult it is to transit to formal employment.”

.....”I missed out of some formal employment because I am over qualified. They preferred others will lower qualification as they think I am a flight risk.”



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Notable quotes from respondents.

...“Tribalism and lack of connection have barred many migrant youths from getting their dream job in Lagos”...

.....i have been asked to pay huge amount of money to secure government jobs which I cannot afford. I also do not know a high ranking official to assist me.

.....many vacancies are not even advertised externally. If you are not aware of a vacancy, how do you apply?



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Notable quotes from respondents.

.....”Even when I get opportunity to interview, my lack of confidence often is my undoing. I am intimidated by the sheer ambience of the formal organization”

.....”I have been informed that my residential address is major draw back to my getting a formal job. I live too far away from the city center”...



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Conclusions

- There is skill mis-match between the competence of the youths and requirements of the formal sector firms.
- There is paucity of Formal Internship Programmes opportunities to groom youth for decent opportunities.
- In Lagos, the number of educated youths has been on the increase, however, the quality and standard of the education is debatable, causing a gap in human capital development in the country (Adetunji and Ladanu 2016).
- Migrant youths are disenfranchised with respect to opportunities that flow within certain networks.
- Migrant youths typically stay at suburbs and hinterland which lack basic infrastructures.



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- Previous knowledge/exposure in the informal sector becomes background to leverage upon in the formal sector for some roles.
- The reality however is that markets are not perfect especially in less developed countries and full information is quite unrealistic (Lee, 2019).
- Theoretically, this research shows that the assumption based on human capital theory that youth with the right education will be able to transit to formal employment does not hold for migrant youths in Nigeria because of the socio-economic context of the country. While right education is a given requirement, it is not a sufficient requirement in itself.



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Recommendations

- Government should encourage formalisation of informal businesses and support existing formal business to absorb more labour.
- Building training facilities where migrant youths can learn new skills which they initially lack will help them to be more employable, competent and more workplace ready”...
- The government needs to initiate youth migrant’s registration and documentations and open up settlement and integration centres to allow for easy assimilation and transitioning of youth migrants.
- Labour Laws to mitigate against discrimination and also legal will to enforce compliance.



Thank you for your attention