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List of abbreviations and acronyms

ANPE	Agence Nationale Pour l'Emploi (National Employment Agency)
ANPGF	Agence Nationale de Promotion et de Garantie de Financement (National Agency for Promotion and Financing Guarantee)
ATT	Average Treatment Effect on the Treated
EHCVM	Enquête Harmonisée sur le Conditions de Vie des Ménages (Harmonized Survey on Household Living Conditions)
ESR	Endogenous Switching Model
FAIEJ	Fonds d'Appui aux Initiatives Economiques des Jeunes (Support Fund for Youth Economic Initiatives)
FERDI	Foundation for International Development Studies
FINA	National Autonomous Investment Fund
FNFI	Fonds National de la Finance Inclusive (National Fund for Inclusive Finance)
IIA	Independence of Irrelevant Alternatives
ILO	International Labour Organization
INSEED	Institut National de la Statistique et des Etudes Economiques et Démographiques (National Institute of Statistics and Economic and Demographic Studies)
MDBAJEJ	Ministry of Grassroots Development, Crafts, Youth and Youth Employment
MEPSTA	Ministry of Primary, Secondary, Technical and Craft Education
MESM	Multinomial Endogenous Switching Model
MESR	Ministère de l'Enseignement Supérieur et de la Recherche (Ministry of Higher Education and Research)
MESR	Multinomial Endogenous Switching Regression
OECD	Organisation for Economic Co-operation and Development
OLS	Ordinary Least Squares
PAEIJ-SP	Project to Support the Employability and Integration of Young People in Growth Sectors
PROVONAT	Agence Nationale du Volontariat au Togo (National Volunteer Programme in Togo)
SDGs	Sustainable Development Goals
UNDP	United Nations Development Programme
WAEMU	West African Economic and Monetary Union

Abstract

The objective of this research is to analyse the impact of the choice of a type of school by parents on the wage of young individuals in the labour market in Togo. To do this, the multinomial endogenous switching model has been specified and estimated. The empirical analysis is based on the Harmonized Survey on Household Living Conditions (EHCVM, 2018) conducted by the National Institute of Statistics and Economic and Demographic Studies in Togo (INSEED-Togo) on 16,821 young people aged between 15 and 35 years. The results reveal that the variables relating to the distances which separate the schools from the homes of the young individual's parents (distance to public school and distance to private school), male gender, age, level of secondary and higher education, and the Maritime and Kara regions of residence; and socio-professional category (employed father, employed mother) are the main determinants of parents' choice to enrol their children in a type of school. In addition, the results indicate that young people in the age group considered with access to private type training have advantages in the labour market in terms of wage increases compared to young individuals with access to other types of training or who have not chosen any training. These results provide useful information for public policies in Togo. They imply that policies aimed at reducing inequalities among young people in the labour market should consider the type of school attended by the young people as an effective tool to achieve these objectives. These development policies can target, in particular, young individuals who did not attend any type of school and those who have had the chance to attend public type of training.

Key words: School; Parents; Young people; Labour market; Salary; Togo.

JEL classification codes: D63; I20; J40.

1. Introduction

Discussions on inequalities in access to education in relation with the outcomes for young individuals in the labour market has sparked a large number of studies in the economics of education and labour in most developing countries (Ludolph, 2023; Chassamboulli and Gomes, 2023; Moulin, 2023). Liberal theory grounded in the theory of human capital (Mincer, 1974; Becker, 1964; Spence, 1973) emphasized inequalities in the accumulation of specific/general knowledge (Becker, 1964), the level of education (Mincer, 1974), and their effects on disparities in the labour market outcomes as measured by wage. By focusing on the disparities in outcomes observed in the labour market, the so-called conflict theory argues that the inequalities which continue to be maintained or even reproduced are explained by the fundamental systemic failure in a framework where the system of accumulation of human capital and the employment system are instruments for increasing inequalities (Becker, 1964; Mincer, 1974; Wolpin, 1977). These findings have, to a certain extent, made it possible to identify the effect of individual characteristics, in particular the parents' socio-professional category (SPC), the type of school attended, the level of education (Solon, 2018; Totouom et al., 2018; Arestoff, 2001), and public policies for employment (Investigation Report on the Improvement of Employment Policies [EAPE], 2019; Inquiry Report on the Transition of Young People from School to Francophone African Labour Markets, 2022), including individual results for young people's outcomes in employment and wages.

In the face of the prevailing view supporting the decrease in inequalities based on to the types of schools attended, inequality in access to employment is increasingly gaining ground (Favaro and Sciulli, 2022; Midagbodji and Egbendewe, 2020; Mulwa and Gichana, 2020; Totouom et al., 2018). Few studies have analysed the relationship between inequalities in access to education and labour market outcomes. Nevertheless, if theoretically the reduction of inequalities in outcomes in the labour market is a positive function of two explanatory variables (Becker, 1964; Mincer, 1974), Hellier (2016) underlines that in reality the parents' socio-professional category or the intergenerational transmissions also explain the impact of the level of poverty or wealth of parents on their children. However, the reduction of inequalities in outcomes is itself dependent on investment in education. Referring to the quality of education, Moulin (2023) and Arestoff (2000) argue that attending a private school rather than a public school increases the probability of a young individual entering the

labour market. Generally speaking, the expansion of public schools raises concerns about the consequences of increasing inequality and differences in labour market outcomes. The household poverty effect and the socio-professional category of the head of household on the choice of type of school, their determinants, and their effects can, to a certain extent, influence social stratification and the reproduction of inequalities, not only on access to employment, but also on wage (Kremer and Sarychev, 2000; Meuret et al., 2001; Jones, 2007; Riddell and Song, 2011).

In this context, promoting competition between public and private schools can be considered as a political instrument that can likely reduce inequalities in outcomes in the labour market and stimulate socioeconomic development (Glewwe and Patrinos, 1999; Sears, 1970; Bhagwatli, 1988). Indeed, the increase in inequalities in access to education can also slow down the socioeconomic development (Favaro and Sciulli, 2022; Anyanwu et al., 2016). According to Duflo (2001), socioeconomic development is likely to considerably reduce inequality of access to education and in turn reduce disparities in outcomes in the labour market. In Togo, the gap between the number of public (2,600 schools) and private (1,664 schools) available in 2005, for example, illustrates the fact that parents in low socio-professional category are increasingly constrained to enrol their children in public schools (Chassamboulli and Gomes, 2023; Solon, 2018; Totouom et al., 2018). In this regard, some young individuals constrained by their parents' income are obliged to be educated in public schools; this family constraint is likely to influence the formation of human capital and the future outcomes of young people in the labour market (Favaro and Sciulli, 2022; Mulwa and Gichana, 2020). These effects can be of two types. Firstly, the lack of practical experience observed in public schools can lead to a loss of income and condition the access to certain labour market segments. Secondly, this lack of practical experience can increase the inequalities of outcome encountered in employment in terms of quality and wage of young individuals who have attended public schools (Ludolph, 2023; Chassamboulli and Gomes, 2023; Moulin, 2023; Arestoff, 2000).

In Togo, the Harmonized Survey on Household Living Conditions (EHCVM, 2018) reveals that, among young individuals enrolled in private schools, 83.89% come from rich families compared to only 16.11% who come from poor families. However, the children of poor families are more represented in public schools (88.35%) than the children of rich families (11.65%). In terms of access to employment, the same report shows that a little less than half of young people (40.66%) who attended public schools have been employed compared to a little more than half (59.34%) who are unemployed in 2018. On the other hand, among those who attended private schools, more than half of them, or 67.43%, are employed compared to only 32.57% who are unemployed the same year. This proportion of young individuals who are employed drops to 52.61% when young individuals have attended both private and public schools. Which suggests that it is young people who have attended public schools and are unemployed who increasingly contribute to inflating the unemployment rate of young individuals aged between 15 and 34 years, which is higher than the average of the overall population, that is 6.2% compared to 3.40% in 2015 (International

Labour Organization [ILO], 2016). Furthermore, Bachelet and International Labour Office (2012) reveal that young individuals' access to employment increases with education level at higher rates among young individuals with higher education levels (68%) compared to those of young people who attended technical and vocational schools (62%). Also, unemployment in Togo in terms of vertical and horizontal mismatch affects young individuals in the age group of 15 to 34 years much more; this unemployment increased by a smaller proportion from 20.50% in 2011 to 23.6 % in 2015 (QUIBB, 2015).

In the face of these alarming statistics, international organizations, governments of developed and developing countries and Togo are committed to contributing to the reduction of inequalities in access to education and its effects on disparities of opportunity or group between generations of young individuals in the world's labour market. This resulted in the adoption of the Dakar Agreement reaffirming the commitment of member countries, including Togo, to achieve the objectives of education for all no later than 2015. Also, the world conference on higher education, which recommends expanding access to higher education and strengthening links with society, particularly with the labour community and the ILO's decent work agenda in Africa from 2007 to 2015, adopted by the Heads of State at the Ouagadougou summit in 2004 and finalized at the eleventh African youth summit for sustainable development in May 2011. In relation with the Sustainable Development Goals (SDGs), we can mention the recommendation of access to education for all young boys and young girls on an equal footing as one of the objectives targeted for 2030.

Statistics from the Business of Education in Africa report reveal that one out of five students in Africa is educated in a private institution. In addition, the enrolment rate in private schools changed by only two percentage points between 2009 and 2013, increasing from 19% to 21% and was expected to reach 26% in 2021. This education pattern is common in many African countries where private schools continue to increase the supply of available training, thus contributing to adequately meet the needs of the labour market (Moulin, 2023; Caerus Capital, 2017). This constitutes both an opportunity and a source of inequality of access to education and decent employment for young individuals from public schools. Almost all private schools are not established to provide equitable education to all regardless of wealth and need. They generally target a specific market segment. Students from rural, financially disadvantaged areas, girls, and students needing specific care can be further marginalized, which contributes further to perpetuating inequalities in employment outcomes (Foundation for International Development Studies [FERDI], 2019).

In this regard, recent empirical evidence (Cukrowska-Torzewska, 2023; Ludolph, 2023; Chassamboulli and Gomes, 2023; Moulin, 2023; Favaro and Sciulli, 2022) seems to establish that inequalities in access to education contribute to perpetuate inequalities in the acquisition of an employment status (Goux and Maurin, 1997; Duflo, 2001; Riddell and Song, 2011). Confirming these results, Goux and Maurin (1997) find in the context of France that inequalities in access to education linked to social destiny between young individuals from different backgrounds do not only have knock-on

effects on the access to school, but also on employment outcomes, and therefore are built throughout along the life cycle. In this context, with a given diploma, individuals have a high probability of reproducing the social situation of their parents. In the case of developing countries, particularly in Cameroon, it appears that interactions between gender and education have a negative impact on the probability of working in the public and formal sector (Totouom et al., 2018). Also, reducing inequalities in access to education provides higher skills which compensate for the negative effect of gender and public training in labour market outcomes. This has inspired several researchers who analysed the relationship between inequalities in access to education and the participation of young people in the labour market in developing countries (Njifen and Aicha, 2021; Bindop, 2019; Akono and Nanfosso, 2013).

The objective of this research is to analyse the impact of the choice of a type of school on wage inequalities of young individuals in the labour market in Togo. More precisely, it intends to: (i) examine the determinants of the choice of type of school by the young people's parents; (ii) evaluate the impact of the choice of type of school on the wage of young people in employment. This seems particularly relevant because some researchers, notably Ludolph (2023); Chassamboulli and Gomes (2023); Mill (2023); Favaro and Sciulli (2022); Njifen and Aicha (2021); Bindop (2019); Totouom et al. (2018) assert that the results of their work on education and young individuals' participation in the labour market are context-specific, and ignore the impact of public and private training on access to employment and wage. Although there are some works on the relationship between type of school attended and labour market outcomes, most of these studies do not take into account young individuals who attended both public and private schools. Also, the most often used methods do not allow the possibility to observe the effect of the different categories of the variable of interest. In addition, public authorities do not have national empirical evidence on these issues in order to reduce inequalities in access to education and improve the outcomes of young individuals in the labour market in Togo.

In order to fill this gap, this study innovates by using a multinomial endogenous switching model (MESM), which makes it possible to observe the effect on employment and wage outcome for a young individual having attended a public school, a private school or both types of schools. Unlike recent works carried out in Cameroon (Njifen and Aicha, 2021; Bindop, 2019; Totouom et al., 2018) and in Togo and Benin (Midagbodji and Egbendewe, 2020), the role of inequalities in access to education and their impacts on salary is evaluated.

In addition, this study carries out a comparison of groups by considering young individuals who attended public and private schools and those who attended both types of schools. It also shows that the challenges these groups face in accessing employment and wage are very different. Indeed, young people with access to public rather than private training may encounter greater difficulties on the labour market in Togo. This is a growing research interest in the literature because young individuals

aged between 15 and 35 years who have not had the chance to attend any type of school tend to be more exposed to unemployment and under-employment in the labour market in Togo.

The remainder of the paper is organized as follows. Section 2 outlines the methodological approach of the study; Section 3 presents the results and discussions; Section 4 concludes the study.

2. The methodological approach

The empirical approach to the relationship between the choice of type of school and the outcomes for young Togolese people on the labour market is organized around three points. The first point highlights the conceptual framework. The second point sets out the empirical specification of the model. The third point presents the data for the analysis.

The conceptual framework

To analyse the economic consequences of a young individual's choice for a specific school, in terms of wage, this research draws on the theories of rational choice and the Random Utility Model initiated by McFadden (1981) and taken up by Lankford and Wyckoff (1992). This model is part of the traditional paradigm of utility maximization which views the service offered by an educational institution as a good. As in most models of educational choice, this study considers that it is the households which make the choices for their children; consequently, these young people make these choices indirectly. As an additional hypothesis, the study postulates that the decision to choose the type of school is non-sequential; in other words, the question of choice is handled in a single step. Thus, the young's decision to choose an educational institution could be seen through the prism of utility optimization process where the parent, under certain constraints, makes educational choices which will be beneficial for their child with the aim of obtaining in the future better paid jobs in the labour market (Totouom et al., 2018; Epple and Romano, 1998).

Empirical specification of the model

The choice of the model to use to measure and evaluate the choices of the type of school or institution in labour market outcomes depends on the nature of the variable which accounts for this educational choice, as well as the type of data used. In this regard, the existing empirical literature uses the binary model (Usman and Sanusi, 2016; Nagac and Nuhu, 2016) and the simple or nested multinomial model (Ndjobo and Abessolo, 2011; Totouom et al., 2018). However, the application of these models raises two main econometric problems, notably the endogeneity of the type of school and the selection bias.

Regarding the endogeneity of the type of school, no study to our best knowledge has taken this problem into consideration in methodological aspects. However, the choice of an institution is not random. The literature distinguishes three main sources of endogeneity, including simultaneity bias (reverse causality), measurement error, and the omission of variables (unobserved heterogeneity). In this contribution, the omission of variables is the main cause of endogeneity in the sense that there exist certain unobserved characteristics which are likely to influence the behaviour of the young individual in terms of choosing a type of institution.

The second methodological problem is identified as the selection bias, because young individuals self-select into different educational choice options. These decisions are likely to be influenced by unobservable factors that could be correlated with the outcome variables. The omission of these different methodological aspects could lead to inconsistent and incoherent estimators (Wooldridge, 2002).

To address these problems, propensity score methods, which are a variant of impact evaluation methods, have been used in the literature; but the fact that these methods take into account only unobservable factors constitutes a limitation, because they omit the existence of certain unobservable factors (Mendola, 2007), which could also be the basis of the selection of individuals for a type of school. The regime switching models have overcome this drawback (Di Falco et al., 2013) Abdulai and Huffman, 2014; Khanal et al., 2018). It should be noted that this model has been much popularized in the agricultural field and is commonly known as the Endogenous Switching Model (ESR) (Koudjom and Lokonon, 2023; Koudjom, 2022; Di Falco et al., 2011; Lokshin and Sajaia, 2011; Lokshin and Sajaia, 2004). The distinctive feature of this modelling lies in the fact that the selection variable, which is at the same time endogenous, must be binary. This makes its use not applicable in the context of this study because the sample of young individuals, not only consists of young individuals who have already made the decision to enrol in a type of public or private institution, but also include all young individuals, that is, even those who have not chosen any of these types of institutions, but who find themselves in the labour market. However, in the literature, there are extensions of the model which have been adapted to the case where the selection variable is categorical. This is the multinomial endogenous switching model which has also been widely popularized in the literature on agricultural economics.

The econometric approach of the multinomial endogenous switching model is inspired by the works of Issahaku and Abdulai (2020). The idea of this approach is to model the choice of the type of school on the young individuals' outcome in the labour market simultaneously in two stages. In the first stage, the choice in different alternatives of institutions made by the young individual is estimated using a multinomial logit model taking into account unobserved heterogeneity. The inverses of Mills ratio are calculated from the estimated probabilities of the multinomial logit model. In the second stage, the impact of each choice of the type of school is estimated by ordinary least squares (OLS), where the inverses of Mills ratio are included as additional control variables in the model with a view to taking into account the selection bias due to unobservable factors.

The multinomial selection model

On the basis of the conceptual framework developed above, the objective of the young individual through his parents is to maximize the utility that results from the choice of a specific type of institution. The expected utility for i young individual which results from a choice of a type of school j is represented by U_{ij} . However, the expected benefits captured by the latent variable U_{ij}^* cannot be observed, but can be expressed as a function of the characteristics X_{ij} , whose specification can take the following form:

$$U_{ij}^* = \alpha_j X_{ij} + \varepsilon_{ij} \quad (1)$$

Besides the observed young individuals' characteristics, Bourguignon et al. (2007) recommend to add exclusion or identification variables to the vector X_{ij} . This research therefore uses the distance between home and the nearest private and public schools as identification instruments in accordance with the works of Altonji et al. (2005a, 2005b). Intuitively, the proximity between the young individual's family home and the school (private or public) can facilitate the young individual's education. Assuming that the young individual's parents do not choose their area of residence, they will tend to choose a type of school where their child will be educated on the basis of the comparison of the relative distances which separate the school and their home. The validity of these instruments is highlighted by performing a falsification test (Di Falco et al., 2011). Indeed, the instruments are valid if they are correlated with the young people's decisions to choose a type of school, but not the outcome variable (wage) of young individuals who have made no choice (Di Falco and Veronesi, 2013; Di Falco et al., 2011). α is the vector of parameters to be estimated, and ε_{ij} is the error term. Concerning the decision to choose, let us consider U_i as an index which represents the observed choice of a combination of institution choices made by the young individual the following way:

$$U_i = \begin{cases} 1 & \text{if } U_{i1} > \max_{k \neq 1}(U_{ik}) & \text{if } \varepsilon_{i1} < 0 \\ \vdots & & \\ M & \text{if } U_{ij} > \max_{k \neq j}(U_{ik}) & \text{if } \varepsilon_{iM} < 0 \end{cases} \quad \text{for every } k \neq j \quad (2)$$

Where: $\varepsilon_{ij} = \max_{k \neq 1}(U_{ij}^* - U_{ik}) < 0$. Equation 2 indicates that the young individual i must choose a type of school j in order to maximize his expected benefit if this choice provides him with an expected benefit that is better than that associated with any other alternative option.

In this study, there are two types of possible schools, namely public school, private school and the combination of these two choices which lead to a total of four options which are the subject of choice by young people. These options are: no type of school, public school only, private school only, and public-private school. Let us assume that in Equation 1, ε_{ij} is independently and identically distributed according to Gumbel's law (Bourguignon et al., 2007). Following the works of McFadden (1973), the probability that a young individual i makes a choice of institution j can be expressed as a multinomial logit model such as:

$$P_{ij} = P(\varepsilon_{ij} < 0 | X_i) = \frac{\exp(\alpha_j X_{ij})}{\sum_{k=1}^M \exp(\alpha_k X_{ik})} \quad (3)$$

The estimation of the parameters in Equation 3 is performed using the maximum likelihood method. Thus, the modelling of the choice of options for the type of school in relation with the outcome of interest, in particular the wage of the young individual, is done within the framework of the multinomial endogenous switching model.

The multinomial endogenous switching regression

In the second stage of the multinomial endogenous switching regression (MESR), the relationship between the young individual's wage which is the outcome variable and all the explanatory variables is estimated for each school type option. For example, the reference category is "no type" and is indicated by $j=1$. The alternatives refer to the choice of at least one type of school $j=2$:public, $j=3$:private, $j=4$ public and private. This study is based on Mincer's (1974) wage equation, which is the standard model of human capital. This model assumes that workers are paid according to their marginal productivity and the latter increases as human capital accumulates (Mincer, 1974; Becker, 1975). According to this model, an individual's years of schooling and experience are the main elements that differentiate productivity between workers and consequently the disparities in their remuneration (Mincer, 1974).

Given the fact that the years of schooling are acquired after having previously completed a type of education upstream, the type of school attended by a young individual also becomes an equally important aspect to consider in the determination of the wage. Thus, in the new wage equation, besides the main traditional factors, the type of institution will also be included as an additional productivity factor. Other factors that contribute to the determination of the wage are also taken into account. This equation is called an extended Mincer equation. For each possible regime (j), the earnings equation is formulated for each type of school chosen (in total four) by young individual i and will correspond to a particular regime. The specification is presented in the following form:

$$\left\{ \begin{array}{l} \text{Regime 1: } \ln(w_{i1}) = \beta_1 Z_{1i} + \mu_{1i} \text{ if } j = 1 \\ \quad \quad \quad \cdot \\ \quad \quad \quad \cdot \\ \text{Regime M: } \ln(w_{iM}) = \beta_M Z_{Mi} + \mu_{Mi} \text{ if } j = M \end{array} \right. \quad (4)$$

Where: $\ln(w)$ is the wage of young individual i in M regime. Z corresponds to the vector of explanatory variables of the young individual's wage which brings together several categories of variables. These are variables relating to the characteristics of the young individual's human capital (education, experience, experience squared), to their socio-demographic characteristics (age, gender, matrimonial status), to the socioeconomic characteristics of the young individual's parents (socio-professional category of the mother, socio-professional category of the father, living conditions of the household), as well as the characteristics of his area of residence (environment, region). μ is the error term with zero expectation value and constant variance equal to $\text{Var}(U_{ij}|X_{ij}) = \sigma_j^2$; β_j represents the vector of parameters to be estimated. The Wald test on the null hypothesis which postulates that the vector is jointly equal to 0 is carried out to highlight the unobserved heterogeneity of the choice of school type.

In order to make sure that the coefficients to be estimated in Equation 4 are unbiased and consistent, the addition of the selection correction terms resulting from the multinomial process is necessary. This is done following Bourguignon et al. (2007) and assuming that the error terms (ε_{ij}) and (μ_{ij}) are linearly correlated for each option j , such that the expected value of μ_{ij} is defined as $(\mu_{ij} | \varepsilon_1, \dots, \varepsilon_j) = \sigma \sum_{j=1, \dots, M} \rho_j \varepsilon_j$, where ρ_j is the correlation between ε_{ij} and μ_{ij} , while σ is the standard error of the error term.

Thus, the wage equation (Equation 4) which takes into consideration the choice made with the correction bias can be reformulated as in Teklewold et al. (2013):

$$\left\{ \begin{array}{l} \text{Regime 1: } \ln(w_{i1}) = \beta_1 Z_{1i} + \sigma_1 \hat{\lambda}_{1i} + v_{1i} \text{ if } j = 1 \\ \quad \quad \quad \cdot \\ \quad \quad \quad \cdot \\ \text{Regime M: } \ln(w_{iM}) = \beta_M Z_{Mi} + \sigma_M \hat{\lambda}_{Mi} + v_{Mi} \text{ if } j = M \end{array} \right. \quad (5)$$

Where: $\hat{\lambda}_{ij} = \sum_{k \neq j}^M \rho_j \left[\frac{\hat{p}_{ki} \ln(\hat{p}_{ki})}{1 - \hat{p}_{ki}} + \ln \hat{p}_{ij} \right]$ corresponds to the inverse of

the Mills ratio calculated from the probabilities estimated in the multinomial

logit model of Equation 3. ρ_j is the correlation coefficient between ε_{ij} and μ_{ij} , with v_{ij} the error term assumed to have zero mean, while \hat{P}_{ij} represents the estimated probability that a young i chooses the educational pattern j .

Estimation of the counterfactual model and calculation of treatment effects

The advantage of the multinomial endogenous switching model is that it makes it possible to estimate the average wage of the young people in the treated group (the factual), called ATT (Kalinda et al., 2017). Precisely, the conditional expectations (expected average wage) of the young individuals who received the treatment will be calculated from Equation 5, that is, the young people who have chosen at least one type of specific education, which in this contribution refers to $jj=2,3,4$ (with $j=1$ the reference category). These expectations are formulated as follows.

Young individuals who chose a type of school (current type of school observed in the sample):

$$E(\ln w_{i2}|U_i = 2) = \beta_2 Z_{i2} + \sigma_2 \hat{\lambda}_{i2} \quad (6)$$

$$E(\ln w_{ij}|U_i = j) = \beta_j Z_{ij} + \sigma_j \hat{\lambda}_{ij}$$

Young individuals with a type of school who have no educational curriculum (the counterfactual):

$$E(\ln w_{i1}|U_i = 2) = \beta_1 Z_{i2} + \sigma_1 \hat{\lambda}_{i2} \quad (7)$$

$$E(\ln w_{i1}|U_i = j) = \beta_1 Z_{ij} + \sigma_1 \hat{\lambda}_{ij}$$

The impact of the choice of a specific education j is reflected by the average treatment effect on the treated group (ATT), which is calculated as the difference between (6) and (7) in order to obtain Equation 8, formulated as follows:

$$ATT = E(\ln w_{i2}|U_i = 2) - E(\ln w_{i1}|U_i = 2)$$

$$= \beta_2 Z_{i2} + \sigma_2 \hat{\lambda}_{i2} - \beta_1 Z_{i2} + \sigma_1 \hat{\lambda}_{i2} \quad (8)$$

$$= (\beta_2 - \beta_1) Z_{i2} + \hat{\lambda}_{i2} (\sigma_2 - \sigma_1)$$

The term $\hat{\lambda}_{ij}(\cdot)$ takes into account the selection and endogeneity bias coming from unobserved heterogeneity.

The MESR approach presents several advantages. First, it makes it possible to obtain a consistent and efficient estimate of β_j and takes into account a reasonable correction of the bias in the result equations, even when the assumption of

independence of irrelevant alternatives (IIA) is not respected (Bourguignon et al., 2007). Furthermore, it allows the possibility of evaluating the impact of the type of school, whether individual or combined (Di Falco and Veronesi, 2013). Finally, it makes it possible to relax the restrictive assumptions of Lee and Trost (1978)¹ selectivity model and provides a complete description of the impacts of selectivity on all the options considered by the young people.

Data

This research uses a data set drawn from the Harmonized Survey on Household Living Conditions (EHCVM, 2018)² conducted by the National Institute of Statistics and Economic and Demographic Studies in Togo (INSEED). The objective of the survey is to provide indicators for monitoring poverty and household living conditions and to produce data for the evaluation of public policies in WAEMU member countries, including Togo. The information provided generally covered socio-demographic and economic characteristics as well as labour market indicators.

Data collection was organized in two waves, each comprising half of the sample, and took place simultaneously in the eight WAEMU member states over the period from September to December 2018 for the first wave, and from April to July 2019 for the second wave. Regarding Togo, data collection was carried out from a sample of 6,171 households comprising 42,343 individuals throughout the territory.

The objective of this research is to analyse the impact of the choice of a type of school on the wage of young people in the labour market in Togo. The total sample is made up of 16,821 young people whose age is in the 15–35 years³ range. Table 1 summarizes the descriptive statistics of the variables selected in the sample for the study. Averages are used for continuous variables while proportions are calculated for discrete variables.

1 In Lee and Trost method, a single selectivity term is estimated for all options (Lee and Trost, 1978; Bourguignon et al., 2007).

2 <https://phmecv.uemoa.int/nada/index.php/catalog>

3 According to the African Union report in 2012, young individuals are those whose age is in the range between 15 and 35 years.

Table 1: Descriptive statistics of the selected variables for the analysis

Variables	Description of the Variables	Mean	Standard Error
Variables of Interest: The Type of School Attended by the Young Individual			
None	0: no choice; 1: public only; 2: private only; 3: public and private	0.079	0.147
Public		0.469	0.499
Private		0.318	0.489
Public and private		0.134	0.252
Outcome Variable: Wage of the Young Individual			
Wage	Earnings from the main activity (in CFA Francs)	152,194.100	107.788
Socio-Demographic Characteristics of the Young Individual			
Gender	1: if it is a male; 0: if it is a female	0.532	0.506
Age	The age of the young in years	23.002	3.391
Area of residence	1: if urban area; 0: if rural area	0.555	0.497
Single	1: if single; 0: otherwise	0.462	0.499
Married	1: if married; 0: if not married	0.327	0.469
Divorced/widowed	1: if divorced or widowed; 0: otherwise	0.211	0.361
Primary school level	1: if primary education level; 0: otherwise	0.579	0.615
Secondary school level	1: if secondary school education level; 0: otherwise	0.293	0.457
Higher education level	1: if higher education level; 0: otherwise	0.128	0.353
Maritime region	1: Maritime region of residence; 0: otherwise	0.324	0.478
Plateaux region	1: Plateaux region of residence; 0: otherwise	0.187	0.241
Central region	1: Central region of residence; 0: otherwise	0.174	0.191
Kara region	1: Kara region of residence; 0: otherwise	0.175	0.365
Savanna region	1: Savanna region of residence; 0: otherwise	0.141	0.367
Living Conditions of the Household			
Poor household	1: if the household is poor; 0= if the household is rich	0.686	0.625
Father's Socio-Professional Category			
Employee	1: if the father is an employee; 0: otherwise	0.131	0.366
Farmer	1: if the father is a farmer; 0: otherwise	0.425	0.488
Independent	1: if the father is an independent worker; 0: otherwise	0.445	0.382
Mother's Socio-Professional Category			
Employee	1: if the mother is an employee; 0: otherwise	0.060	0.248
Farmer	1: if the mother is a farmer; 0: otherwise	0.573	0.495
Independent	1: if the mother is an independent worker; 0: otherwise	0.367	0.311
Instrumental Variables			
Distance to public school	Continuous variable equal to the distance between the nearest public school and the parents' home (in kilometres)	3.906	2.672
Distance to private school	Continuous variable equal to the distance between the nearest private school and the parents' home (in kilometres)	2.523	1.606

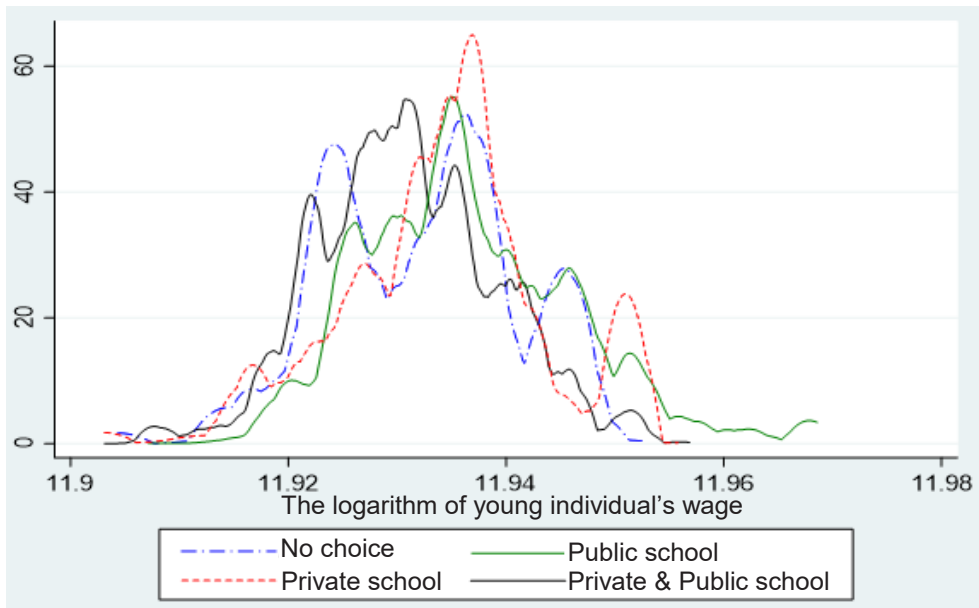
Source: Authors, based on data from EHCVM (2018).

The statistical analyses that emerge from the Table 1 show that in the sample, the proportion of young individuals who chose a public school only is higher than that of young individuals who chose any other type of school. Specifically, it amounts to 46.9%, followed by young people who opted for an exclusively private school (31.8%); then, come young people who have chosen public and private school (13.4%). The proportion of young individuals who have not attended any type of institution is the lowest, that is, 7.9%. Regarding wage, it appears overall that the average wage of young people amounts to approximately 152,194 FCFA. Concisely, the distribution of the density of the logarithm of the wage related to the type of school chosen, as highlighted in Figure 1, shows that the average wage of young people who opted for an exclusively private school presents a more favourable trend than that of a young individual who have chosen any other option.

Regarding the control variables, it appears that in the sample, more than half of the young individuals are men (53.2%) and their average age is 23 years. In addition, less than half of the individuals in this sample are married (32.7%); 46.2% are single, and 21.1% are divorced. When the analysis is based on the characteristics of human capital, it appears that 57.9% of the young individuals have a primary education level; 29.3% have a secondary education level, and only 12.8% have completed a higher education level. Based on the characteristics of the young individual's household, the analyses also reveal that 13.1% have a father who is an employee; 42.5% have a father who is a farmer, and 42.5% have a father who has a self-employed job. Regarding the socio-professional category of the mother, the analyses show that the majority of young people have a mother who is a farmer (57.3%); 36.7% have a mother who is self-employed, compared to only 6% of young people whose mother is an employee. Also, more than half of the young individuals in the sample come from poor families, that is, 68.6%.

Regarding the characteristics of the area of residence, statistics reveal that 55.5% of young individuals live in urban areas, compared to 45.5% who live in rural areas. Relatively to the region, it appears that the Maritime region is the one which presents the higher proportion of young individuals (32.4%), followed by the Plateaux region (18.7%), the Kara region (17.5%), the Central region (17.4%), and finally comes the Savanna region (14.1%).

Figure 1: Distribution of basic wage density depending on the type of school attended by young people



Source: Authors' own construction.

3. Results and discussions

In this section, we will analyse in turn the results on the determinants of parents' choice to enrol their children in a type of school, the determinants of young individuals' wages depending on the choice of the type of school, and the evaluation of the impact of the choice of a type of school on the wage of young individuals.

Determinants of parents' choice to enrol their children in a type of school

The results of the determinants of parents' choice to enrol their children in a type of school are presented in Table 2. The "no choice" modality is the reference choice in the model. The probability associated with the Chi2 in the model is statically significant at the 1% significance level ($\text{Prob} > \text{chi}^2 = 0.000$), which means that the model is overall significant, rejecting the null hypothesis that all regression coefficients are jointly equal to zero. The instrumental variables including the distance between the nearest public schools to the young individual's parents' home and the distance between the nearest private schools to the young individual's parents' home, used to identify MESR, are also jointly significant. A test of validity of the instrumental or exclusion variables also confirmed that the distance between home and school jointly influences parents' choice, regardless of the type of school, but not the young individual's wage in the labour market (see Table A1 in Supplementary Material).

Table 2 also shows the significant influence of several socio-demographic characteristics of the young individual. Indeed, the age, the secondary level and the higher education level, and the Maritime and Kara region of residence increase the probability for the young people to attend a public or private school or both thanks to their parents. By comparing the coefficients, we realize that young males are more likely to be educated in private schools than their female counterparts. In this regard, gender imbalances in the division of labour and ownership of property, as well as the persistence of discriminatory laws and social norms that restrict women's rights and opportunities, amplify the difficulties faced by girls in being educated in high quality private schools (Becker, 1957, 1964, 1974). Also, this result is not surprising, because in the majority of low-income countries like Togo, the poverty situation of households is the main cause forcing parents to choose between enrolling their young boys in schools where school enrolment fees are high, thus compromising the enrolment of

young girls (Njifen, 2015; Totouom et al., 2018). More importantly, some poor families never enrol their daughters in these schools, partly because the parents themselves have not had the opportunity to attend these schools; also, given that the young girl is more expected to fulfil their matrimonial duty, some parents prefer that daughters stay at home all day to help their mothers in managing house works. Moreover, some parents believe that enrolling girls in a private school is an expenditure they cannot afford. Conversely, the fear of not being able to take their daughters out of school to marry them is a reason for complaint for some parents. This outcome should attract the attention of political decision-makers in the acquisition of young girls' skills versus the access to their first paid job.

The positive influence of age and negative influence of its squared value allowed us to understand the quadratic effect of this variable. This effect tells us that, as the young individual's age increases, the probability of attending a public school, private school or both increases up to a threshold beyond which an increase in the young individual's age leads to a reduction in the young individual's probability of attending these types of schools. Which means that, the more the young individuals grows up until the average age of 23 years, the more motivated are the parents to enrol them in a private school whose skills are required in the labour market, thanks to the accumulation of their wealth. However, beyond the age of 23 years, parents tend to think more about exploiting the young individual's skills in the labour market. This explains the inverted U-shaped relationship between the age and the probability of choosing a public or private school or both. However, the extent of this phenomenon is important when parents choose to send their children to a private school.

In addition, the secondary level and the higher education level increase the chances of young individuals to benefit more from private type of education in the sense that it provides them with the ability to master administrative registration procedures more easily. Furthermore, education appears to be a criterion that reassures trainers about the ability of young people to learn more easily when they opt for a type of training, in particular private professional and technical training. However, the training received in a religious school or private university allows the young individual to have the minimal professional experience which, combined with minimal training, increases the chance of effectively occupying a position in a productive system (Arestoff, 2000). This outcome is consistent with the works of Midagbodji and Egbendewe (2020) and Totouom et al. (2018) on a sample of young individuals in Togo, and Benin and Cameroon, respectively. Furthermore, the Maritime and Kara regions of residence have a positive effect on the probability of young individuals to attend school independently of the choice of parents. However, the effect is more significant when it is the parents who choose to enrol their children in a private school. This result can be explained by the concentration of private professional training centres in these regions. More importantly, it is in these regions that we find more parents enjoying the status of employees. Furthermore, we can learn from this result that, in Togo, to have good training that meets the expectations of the labour market, you have to go to these regions. However, the distance that separates households from these private training

centres in these regions is very long, which implies higher costs. Given the situation, poor households do not have enough resources to send their children to these training centres. Therefore, it appears from this result that inequalities in access to education are a financial problem.

However, the urban area of residence reduces the probability of young people being educated in public or private schools or both. This means that parents have a strong incentive to educate their children only in private schools in town, but are most often forced to send them to public schools because of the increase in family size, which leads to a reduction of their income. Also, single or married matrimonial status and Plateaux region of residence reduce the probability of young individuals to have access to public or private training or both. Concerning the Plateaux region, this result can be explained by, for example, the absence of private higher education training centres in this region, with the exception of the Adonai Higher Institute of Management in Atakpamé. Thus, the decentralization of quality higher education training centres in the five regions of Togo remains essential for the socioeconomic development of the country. This will encourage the absorption of a large number of young individuals without qualifications and reduce the distance that separates poor households from quality private higher education schools.

Considering the standard of living of households, the results indicate that rich parents tend to enrol their children in private schools. This result validates our expectations, because the economic literature suggests that educating young individuals in private schools is very expensive and appears to be an investment that is likely to transform unskilled labour into skilled labour, which increases labour market returns (Pande et al., 2005). In this regard, being educated in a private school at a higher cost provides superior skills that compensate the negative effect of being educated in a public school at a lower cost. This skill is often comparable to a productive machine (Smith, 1776; Schultz, 1961). As a result, compared to less competent young individuals who chose to be enrolled in a public school or both, more competent young individuals who received practical private training are more likely to be recruited by formal public or private employers (Totouom et al., 2018). Also, the income, ethnic origin, and educational level of parents, as well as the number of education opportunities offered and their costs have a significant influence on the type of school attended by young individuals. Kuepie (2016) has clearly demonstrated that education in the private sector positively affects young individuals' access to the status of highest paid employments.

The empirical findings show that parents (fathers and mothers) who enjoy the status of employees tend to enrol their children in private schools which guarantee higher future incomes. This result is not surprising given that parents with paid employment tend to motivate their children to access better training. This increases the chances of young individuals to be integrated in the labour market upon leaving their education and to have a good wage. As a result, the context of the socio-professional category of the parents can be considered as a crucial factor which is a source of inequality of access to education influencing the access of young individuals

to formal private training, the consequences of which do not remain without effects on the labour market. This result confirms those of Midagbodji and Egbendewe (2020) in Togo. On the other hand, considering the socio-professional category (father and mother being farmers), the results show that these parents enrol their children in a public school or both.

These inequalities in access to education are explained on the one hand by the more modest social origins of the parents and, on the other hand by the lower level of education of the parents, which is not without effect on the young individuals' educational pattern; the social relationships within the family, the language spoken at home or the support provided in mastering the language can give the young individuals an additional advantage in learning academic and extra school knowledge (Chiswick and Miller, 2003). We learn from this result that, to allow unemployed and/or poor parents to enrol their children in these types of schools, political decision-makers can put in place policies that stimulate the reduction of social inequalities, the redistribution of income and pro-poor growth (as far back as in 1896, Pareto advocated a modification of the distribution of income in favour of the poorest). This would ensure sufficient economic growth that could trigger economic and social development (Sears, 1970; Bhagwatli, 1988).

Regarding the distance between parents' homes and public and private schools, we find that distances increase young people's probability of attending a public school, private school, or both. Thus, parents having adequate incomes could also choose their place of residence based on this criterion, which would allow them to enrol their children in a given type of school. This means that parents who have a strong preference for enrolling their children in a private school can take into account proximity to a private school when choosing a residence address (Fougère et al., 2017). This study is in line with the works of Vandenberghe and Robin (2004) and Tavan (2004) which showed that the distance between the educational institution and the household's place of residence could be important and be perceived as an indirect cost for households when they choose the type of training for young people. In particular, the distance between the house and the nearest private school has a very significant influence on the choice of the enrolling sector. Families are more likely to enrol their child in a private elementary school when it is closer to their home than the nearest public school (which is likely the school in their area). This is a novel finding, which to our knowledge had not been so clearly highlighted until now in previous works, it should then attract the attention of political decision-makers.

Table 2: Estimation of parameters of the young individual's parents' choice: Multinomial logit selectivity model

	Parents' Choice		
	Public Estimations	Private Estimations	Public & Private Estimations
Socio-Demographic Characteristics of the Young Individual			
Men	0.309*** (0.026)	0.315*** (0.042)	0.204*** (0.039)
Age	0.306*** (0.113)	0.462*** (0.209)	0.430*** (0.154)
Age-squared	-0.628*** (0.476)	-0.506** (0.253)	-0.544* (0.339)
Urban area of residence	-1.324*** (0.052)	0.315*** (0.028)	-0.744*** (0.045)
Young single	-1.148*** (0.056)	-0.910*** (0.037)	-1.045*** (0.055)
Young married	-7.419*** (0.298)	-6.322*** (0.076)	-7.697*** (0.384)
Secondary school education level	0.044* (0.087)	0.576*** (0.076)	0.329** (0.055)
Higher education level	1.039*** (0.190)	1.340** (0.133)	1.102** (0.105)
Maritime region of residence	0.917*** (0.058)	1.068*** (0.034)	0.526 (0.049)
Plateaux region of residence	-0.198** (0.082)	-0.781*** (0.039)	-1.086*** (0.065)
Kara region of residence	0.390*** (0.080)	0.278*** (0.041)	0.707 (0.069)
Household Standard of Living			
Poor household	0.942*** (0.147)	-0.091** (0.053)	0.362* (0.092)
Socio-Professional Category of the Young Individual's Parents			
Father is an employee	-0.246*** (0.058)	0.521*** (0.037)	-0.340*** (0.065)
Father is a farmer	0.379*** (0.052)	-0.451*** (0.031)	0.391*** (0.049)
Mother is an employee	0.0621 (0.105)	0.803*** (0.058)	-0.621 (0.188)
Mother is a farmer	0.200*** (0.053)	-0.209*** (0.034)	0.607*** (0.057)
Instrumental Variables			
Distance to public school	0.047*** (0.083)		0.035*** (0.071)
Distance to private school		0.014*** (0.063)	0.011*** (0.012)
Constant	-6.550*** (2.287)	-5.915 (1.244)	-6.187*** (1.734)
Chi2		16069.980	
Prob (Chi2)		0.000	
Pseudo R2		0.372	
N		16,821	

Notes: The sample is made up of 16,821 observations. Standard errors are in parentheses.

Significance: *** p<0.01, ** p<0.05, * p<0.1

Determinants of young individuals' wages depending on parents' choice to enrol their children in a type of school

In Table 3, we present the determinants of young individuals' wages depending on the parents' decision to enrol their children in a type of school. The selection

correction terms, denoted by m_1 , m_2 , m_3 , and m_4 , capture selection effects arising from unobserved factors. The estimated variances are all bootstrapped with 100 replications to deal with heteroscedasticity as suggested by Bourguignon et al. (2007). The results show that the selection correction terms are significant in the wage equations for the no choice, private school, and public and private school options, indicating the presence of selection effects of the sample and that the use of OLS would have yielded biased and inconsistent estimates. Taking selection effects into account is therefore critical to obtain consistent estimates in the MESR model.

Regarding the explanatory factors of young people's wages, we observe disparities depending on the choice of parents to enrol their children in a type of school or not. In this regard, the results in Table 3 show that male gender, age, urban area of residence, married matrimonial status, and the level of secondary and higher education prove to be determining factors in the explanation of the young individual's wage, for those who have the possibility to attend some type of school. Indeed, the result related to age suggests that the oldest young people (young people aged 23 and above) are more likely to have higher wages than the younger ones (under 23). These results are confirmed by Kuepie (2016), Ekamena et al. (2014), and Fotso (2017). It follows that an inverted U-shaped relationship is detected between the age and the young individual's wage. In this regard, the negative and statistically significant coefficients of the age-squared variable for the three types of schools suggest that there is a threshold level beyond which older young people have difficulty to obtain a good wage in the Togolese labour market. This result is not surprising, because the stock of human capital accumulated by the young people in the quest for their first paid job depreciates following the increase in their age. It is in this context that Smith (1776) shows that the talents of a young educated individual would be comparable to a costly machine.

In addition, single young individuals living in urban areas have less chance of entering the labour market and having a good wage than those in rural areas in Togo for young people who attend public schools or both. This can be explained by the high concentration of the population in large cities leading to an imbalance between the available workforce and paid employment opportunities (Midagbodji and Egbendewe, 2020). In recent years, entrepreneurial projects and programmes for young individuals have been implemented more in rural areas than in urban areas, because the level of poverty is more pronounced in rural areas (68.7%), while it is 37.9% in urban areas (QUIBB, 2015). This poverty level in rural areas has prompted the Togolese Government to implement several programmes (PROVONAT4, ANPE5, FAIEJ6, FNF17, etc.) for young people in this age group, supported by the creation of a fund guarantee housed in the National Agency for Promotion and Financing Guarantee (ANPGF) for the extension of

4 National Volunteer Programme in Togo.

5 National Employment Agency.

6 Support Fund for Youth Economic Initiatives.

7 National Fund for Inclusive Finance.

the activities of non-agricultural microenterprises. Alongside these initiatives, there is another project focused on setting up young rural entrepreneurs whose objective is to finance and supervise young people in the marketing of agricultural products and non-agricultural services. This project is the National Autonomous Investment Fund (FINA) whose objective is to finance the creation of non-agricultural businesses (particularly those of young individuals). This situation leads to an increased need for labour, especially in the agricultural sectors for the digitalization of agriculture. This result is consistent with those of Anyanwu (2013). In addition, the promotion of the processing of agricultural raw materials in Togo offers to young rural people the opportunities to set up their own independent processing structure and create jobs or improve their wages.

However, young people who live in urban areas and who opt for a private school are better integrated and improve their wages. This result is in line with those of Baye et al. (2016) who found that, in Cameroon, the urban area of residence, where most of jobs are formal stable, offers more employment opportunities and higher wages to young people than rural areas.

Furthermore, the result relating to gender shows that young men who have attended a type of school have a greater chance of entering the labour market and increasing their wage than their female counterparts in Togo. On the other hand, those who have not chosen any type of school are not able to improve their wage through their productivity and are rather unemployed. These results are consistent with those generally obtained in the literature (Fadayomi and Olurinola, 2014; Glick and Sahn, 1997). According to Midagbodji and Egbendewe (2020) and Totouom et al. (2018), several factors can easily explain the wage differential related to gender in employment. First, women are often very disadvantaged and discriminated in terms of education and wage, the value of the gender inequality index is estimated at 0.575 in sub-Saharan Africa by the United Nations Development Programme (UNDP) in 2014. Second, this age group is decisive for young women in their childbearing period. This can prevent them from accessing paid employment or increasing their wage. Third, it turns out that even though more women have entered the workforce in recent years, they often have more difficulty to find a stable first job and boost their wage; they are paid less than men and are more likely to work part-time (Organisation for Economic Co-operation and Development [OECD], 2012). Fourth, young women often collaborate in family activities without receiving remuneration, and are most often found in the informal sector and casual jobs where the possibilities for wage increases remain very low (Kuepie, 2016). In addition, women living as a couple have lower probability to have a paid job or even look for it. This is often due to the stability of the partner's income, which reinforces the position of the male "breadwinner" induced by matrimonial rules (Glick and Sahn, 1997; Bachelet and International Labour Office, 2012).

The definition of human capital in this research draws on the empirical literature. In this regard, the young individual's level of secondary and higher education is used as a proxy for human capital (Aikaeli and Mkenda, 2014). The results reveal that

young people who have a secondary or higher level of education and have attended one type of school increase their wages, while those who did not have the chance to attend one type of school are more likely to be unemployed. This result means that access to the labour market is often guaranteed for young individuals with access to a quality private professional school by comparing the coefficients. This situation can be explained by the fact that young people with access to employment and who increase their wage have had the chance to be trained in private higher education schools, and are more sought after in terms of job offers in Togo. This phenomenon is due to the fact that young graduates who leave these schools consistently aspire to a first stable paid job corresponding to their qualification (Midagbodji and Egbendewe, 2020). These results are confirmed by Arestoff and Bommier (2001) in Madagascar through a comparative study between private and public education showing that young individuals who have completed a public school pattern, for example, are slower to enter the labour market compared to those having completed a private school pattern in order to be able to boost their wage. It is also in this dynamics that Becker (1964) and Schultz (1961) explain inequalities in integration and wage in the labour market by different factors such as specific/general/type of sector (technical/general, etc.), and the socio-professional category of the parents (employee, farmer, apprentice, etc.). These schools are well equipped with educational resources (for example, The Higher School of Management, Computer Science and Sciences [ESGIS-TOGO], Higher School of Administration and Management Notre de Dame de l'Eglise [ESAG-NDE], etc.), where parents even agree to bear the costs of care fees, transportation and lunches, constraining some poor parents to enrol their children to a public school.

Considering the standard of living of the household, the results show a wage drop in the employment of young people whose parents are poor, who have not chosen any type of school or often have chosen the public school because of the financial situation of their parents. However, young individuals fresh from practical private schools have a better chance of finding a job and increasing their wage in the ensuing months. In this regard, the transition between public training and access to a first paid job is long, leading to structural unemployment (Totouom et al, 2018; Kuepie, 2016; Midagbodji and Egbendewe, 2020). It should also be noted that the age group considered is the one that is the most affected by structural unemployment in Togo; which is not the case in the overall population. On the other hand, most young people who have attended a public school where the quality of training is not satisfactory set themselves a reservation wage below which they are not ready for any paid employment. This means that young people who are poorly trained and who hope for a high wage voluntarily reduce their chance of entering the labour market and having high wages.

In addition, the mismatch between the job offer with the prospect of a wage increase and the areas of specialization, which affects more young people with access to public training could also be used to understand the low wage coefficient of young people in relation with the levels of education of young people at the end of their training in public schools or both. More importantly, this situation can also be explained by the fact that the public education system does not adequately develop

the skills of young individuals in line with the needs of the labour market in Togo. Likewise, these results teach us that, in the Togolese context, public schools are so mediocre and so poor in resources that many children complete primary school education level without knowing how to read. The schools are fees free, but parents complain that the cost of uniforms, care fees, transportation and lunch costs, as well as the opportunity cost of giving up domestic works, especially for girls, are too high compared to the alternative benefit they could expect from attending the school.

Furthermore, the mismatch in the skills of young people from public training schools may be due to a lack of competition in training offers and probably to a funding shortfall in the public education system (Midagbodji and Egbendewe, 2020). Also, public training schools in Togo do not sufficiently equip young people with skills that are valued in the labour market and hence limit their integration and their chance of having high wages. In addition, in public training centres, we are witnessing a mass training system which is no longer relevant to meet the requirements of a globalized chronometric environment where a globalized skills market is increasingly competitive. The increasingly marked failure of the State in terms of budgetary support for the development of Togolese public schools necessarily implies removing public higher education from a culture of administrative management, where State rationality is no more connected with the requirements of private education, which is at the same time open to the world and supports development. On the other hand, the results reveal that young people with access to private training in the Maritime region of residence have access to employment and increase their wage thanks to their own efforts. This is not the case in other regions where young people have attended a public or private school. These results show that training centres and the labour market in Togo are segmented. This result is consistent with the market segmentation theory of Doeringer and Piore (1971).

Considering the socio-professional category of the young individual's parents, the results show that young people whose father and mother are employees, have the opportunity to attend private schools and increase their wage in employment. This is not the case for young people whose parents are farmers. Which means in the context of Togo that parents who have paid jobs tend to build a networking system (social or professional connections established by parents within the framework of their functions) for their offspring. This means that, upon leaving the school, the young individual's parent is able to position his child in a company for a stable paid employment. If nothing is done about this outcome, young people are likely to behave similarly to their parents, and this may result in a reproduction of inequalities in access to education and stable paid employment. This result is consistent with the works of Moenjak and Worswick (2003) who evaluated the returns to vocational and general education in Thailand. That being said, they note that an individual from a wealthy family or with an employed parent is more likely to attend private professional education. Furthermore, the study shows that graduates of private vocational secondary education have higher wages than graduates of public secondary education.

Table 3: Determinants of the logarithm of young people's wage depending on parents' choice to enrol their children in a type of school: Two-stage MESR estimations

	Young Individual's Wage			
	No-Choice	Public	Private	Public & Private
	Estimations	Estimations	Estimations	Estimations
Socio-Demographic Characteristics of the Young Individual				
Men	0.079 (0.013)	0.010*** (0.002)	0.017*** (0.061)	0.012** (0.050)
Age	-0.051 (0.039)	0.017*** (0.004)	0.065*** (0.076)	0.027** (0.020)
Age-squared	0.099 (0.070)	-0.034*** (0.008)	-0.022*** (0.011)	-0.066** (0.025)
Urban residence area	0.014 (0.094)	-0.010*** (0.042)	0.029*** (0.026)	-0.013*** (0.017)
Young single	0.050* (0.058)	-0.027*** (0.004)	-0.018** (0.071)	-0.084*** (0.022)
Young married	0.031 (0.037)	0.013* (0.069)	0.019*** (0.011)	0.035** (0.031)
Secondary education level	0.028 (0.034)	0.005** (0.003)	0.014*** (0.011)	0.043 (0.032)
Higher education level	-0.079* (0.016)	0.008*** (0.009)	0.044*** (0.063)	0.016*** (0.014)
Maritime region of residence	0.033 (0.051)	-0.022*** (0.002)	0.049*** (0.056)	-0.014 (0.030)
Plateaux region of residence	-0.046 (0.057)	-0.025*** (0.015)	0.034 (0.045)	-0.015 (0.010)
Kara region of residence	0.015 (0.023)	-0.017*** (0.015)	0.037 (0.050)	-0.011*** (0.088)
Household Standard of Living				
Poor household	-0.028*** (0.025)	-0.096*** (0.095)	0.037** (0.018)	0.033 (0.045)
Socio-Professional Category of the Young Individual's parents				
Father is an employee	0.013 (0.017)	0.019 (0.018)	0.031*** (0.058)	0.088*** (0.011)
Father is a farmer	-0.025*** (0.030)	-0.012*** (0.026)	-0.015* (0.087)	-0.021 (0.068)
Mother is an employee	0.014 (0.025)	0.036* (0.076)	0.077*** (0.012)	0.027*** (0.026)
Mother is a farmer	-0.093*** (0.011)	-0.026*** (0.039)	0.034 (0.085)	-0.053** (0.039)
Selectivity Terms				
m1	0.023 (0.028)	-0.062 (0.076)	1.079** (0.500)	-0.032* (0.023)
m2	-0.011 (0.014)	0.119 (0.112)	-0.510** (0.256)	-0.085 (0.025)
m3	-0.011* (0.013)	0.007 (0.003)	-0.518 (0.229)	-0.057 (0.075)
m4	-0.071 (0.043)	0.075 (0.028)	0.016 (0.079)	-0.035 (0.078)
Constant	11.990*** (6.044)	11.760*** (6.046)	11.930*** (6.062)	11.980*** (6.041)

Notes: The sample is made up of 16,821 observations. Standard errors are in parentheses.

Significance: *** p<0.01, ** p<0.05, * p<0.1

Impact of the choice of a type of school on young people's wage

The impact of the choice of a type of school on young people's wage is presented in Table 4. This table indicates the expected young people's wage in the observed case where parents have indeed chosen to enrol their children in a type of school and in the counterfactual situation where parents have made no choice for their children. The results show that the choice of a type of school by the young individual's parents leads to a significant improvement in young people's wages. The highest effect (9,335.036) is obtained for young people who were educated in a private school (around 29.7%). Also, the impacts of parents' choice to educate their children in public schools only or in public and private schools are, respectively, 10.1% and 10.9% of wage increase for young people.

This simple comparison could lead us to conclude that, on average, young people who attended a private school are in a position to obtain better jobs and earn a good wage than young people who attended other types of schools. This result is mainly explained by the results of the works of Midagbodji and Egbendewe (2020) which indicate that young people who attended private schools are less likely to engage in informal employment unlike young people who attended other types of schools. Thus, the few young people who complete their private professional training are quickly absorbed by stable, well-paid formal jobs, thanks to their parents' networks. This result is not surprising, because private schools and other types of schools or choosing no type of school present systematically different characteristics in their functioning (Arestoff, 2000). These results are consistent with previous works. That being said, Choi (2021), while examining the impact of different educational systems on employment and wage in South Korea, finds results similar to those of Moenjak and Worswick (2003). In this regard, he ascertains that training in a private school associated with family and individual characteristics makes it possible to obtain a better wage compared to other types of purely academic training.

In the same line of research, while analysing the effects of private vocational schools in the labour market outcomes in Turkey, Tansel (2002) initially finds that the wages of graduates of private education are higher than those of graduates of public education. He also shows that unemployment rates are lower among graduates of private schools than among graduates from other types of schools or those who have not chosen any type of school. More importantly, these results confirm our results to the extent that they show that the wages of young individuals who attended private schools are higher than those of young people enrolled in other types of training. In addition, in private school type training, we note the respect for the student-teacher ratio, no overcrowded classrooms, and training offers are expressed according to the needs of the labour market. Moreover, in these private schools, there are even training courses which do not exist in other types of training. The biggest feature that distinguishes the students from these private training centres is the scheduling of evening classes, and often even those who attend these schools are already in

employment; which can explain the good performance of private schools in terms of wage earnings. In this regard, soon after the second year, students have the opportunity to work during the day and attend evening classes from the third year. Thus, after the bachelor or master's degree, they gain professional experience and have the choice between maintaining their job or finding a better paid job. This success of private schools in terms of wage increases in employment among young people from these schools should be carefully examined by the Togolese authorities in correcting wage or social inequalities, since the economic literature has identified inequalities as one of the elements that hamper the achievement of the Sustainable Development Goals (SDGs), in particular those related to ending extreme poverty, fighting against inequalities and injustice by 2030. This being said, the State would benefit from setting up policies that allow all Togolese youth (poor populations) to have access to these training centres; because the quality of education is in this case taken as an investment, since it allows individuals to increase their productivity, economic growth, and their future income (Mincer, 1974). For the pioneers of human capital, individuals who have showed great interest in the development of their stocks of human capital and who have made rational choices during their integration process by harnessing their innate aptitudes and obtaining professional experience before the end of their studies, face less unemployment problem and have a higher probability of occupying prestigious positions and increasing their wage compared to those who have lower qualifications (Denison, 1964).

Several reasons can justify this low wage among young people who have completed other types of training. In this regard, the works of Midagbodji and Egbendewe (2020), Totouom et al. (2018), and Ionescu and Cuza (2012) show that private training provides young people with adequate skills matching the labour market needs which will likely influence several labour market outcomes, such as wage and/or earnings, time elapsed until obtaining first stable job, unemployment, worker productivity, hours worked, nature of work, worker health, and social benefits. Consequently, these same authors conclude that the unfavourable situation in the labour market of young people who attended other types of schools than the private ones is justified by their lower accumulation of human capital which does not meet the needs of the labour market with the prospect of increasing their wage.

It follows that: (i) young people from private training institutions gain their first professional experiences during the internships that they are obliged to do before submitting their final training dissertation, which is not the case among young people who attended other types of schools or who have not attended any type of school; (ii) the duration of the transition to working life for young people who have attended other types of schools than private or who have not attended any school is longer, thus leading to the depreciation of their human capital; (iii) the overcrowded classrooms in public training schools, for example, creates frustration among young individuals from these schools, the consequences of which remain significant on the labour market in terms of wage increases or improvements; (iv) private schools train young people who are already operational; (v) young people completing these schools have

practical knowledge or co-training associated with their diploma; (vi) young people who leave these schools often have parents who are already engaged in businesses; (vii) graduates from these schools already have specialized training responding to the requirements of the specialized labour market. Our results are consistent with the literature and confirm the findings of Dedehouanou et al. (2019) and Arestoff (2000).

Therefore, it is necessary to encourage or support young individuals who do not follow private type training schools to embrace this option. It is urgent to expose young people who have attended other types of schools than private or who have not attended any school to the performance of young people from private schools, and to support these young individuals by providing them with the necessary resources, giving them the possibility to attend private training schools. However, education is sometimes so costly that it is often difficult for many financially constrained parents (poor parents) to decide between sending their children to a public or private school, or refusing to enrol them in a type of school. In this context, the decision to enrol a young person to school is the result of an evaluation by the family of the costs and benefits from the education of their children. Thus, the expected return on education is an important factor in the parental decision. This comparison between private benefits and costs is not an easy task, because poor households do not always have the appropriate information on the real benefits from the education and the competition of graduates in the labour market. Even if this is the case, the costs of education are sometimes so high, leading some young people to seek out-of-school training and, in the worst cases, to drop out of school. These results provide useful information to policy makers for the design and implementation of policies to remove the distortions that exist in the education system and the labour market in Togo.

Table 4: Average effect of parents' choice to enrol their children in a type of school on young people's wage

	Decision Phase		Treatment Effect
	Chosen	Not-Chosen	
Wage of the young individual having attended a public school	152906.356 (21243.106)	151588.451 (48326.112)	1317.905*** (215.029)
Wage of the young individual having attended a private school	159836.115 (27013.901)	150501.079 (45002.022)	9335.036*** (544.135)
Wage of the young individual having attended public & private school	153194.212 (14495.009)	151854.988 (46414.008)	1339.224*** (292.701)

Notes: Standard errors are in parentheses. Significance: *** p<0.01, ** p<0.05, * p<0.1

4. Conclusion

The most entrenched inequalities in the social context in Togo are those found in the education system. These inequalities have led to significant disparities in the wages of young people in the labour market. This observation has attracted the attention of international organizations and many countries including Togo which, through its national policy of the education system and youth employment, has made the education sector one of the priority areas of intervention. But the efforts of the Togolese Government to reduce inequalities in access to education with a view to promoting the integration and improvement of the wage of young individuals in the labour market are considerably hampered by numerous obstacles. The objective of this research is to analyse the impact of the choice of a type of school by parents on the wage of young people in the labour market in Togo. More precisely, the objective of the study is: (i) to examine the determinants of the choice of type of school by the young individual's parents; (ii) to evaluate the impact of the choice of type of school by parents on the wage of the young people in employment. To this end, this research uses the multinomial endogenous switching model, and the youth employment data section of the Harmonized Household Living Conditions Survey (EHCVM, 2018).

The results of this study made it possible to identify the main factors which determine, on the one hand, the choice of parents to enrol their children in a type of school, and on the other hand, to measure the impact of this choice on the wage of the young people in the labour market. Indeed, this research shows that in addition to the variables relating to the distances which separate the schools from the homes of the young individual's parents (distance to public school and distance to private school), male gender, age, level of secondary education and higher education level, and the regions of residence Maritime and Kara, socio-professional category (employed father, employed mother) determine parents' choice to enrol their children in a type of school. This creates inequalities in access to education. Also, the results suggest that young people in the age group considered with access to private training schools have advantages in the labour market in terms of wage increases compared to young people with access to other types of training. These results provide useful information for public policies in Togo. They imply that policies aimed at reducing inequalities between young people in the labour market are strongly correlated with the policy of reducing inequalities in access to education, which is also correlated with the socio-professional category of the young individual's parents, the level of wealth or household poverty, and policies promoting competition between private and public schools.

In light of the results of the evaluation analysis of the impact of the choice of a type of school by parents on the wage of young individuals in the labour market, it is necessary for measures to be taken to refine the strategies of public intervention which aim to support the education sector and that of employment in general, and in particular youth employment. Indeed, the Basic Education Quality and Team Improvement Project; the 2020–2030 Education Sector Plan; the Project to Support the Employability and Integration of Young People in Growth Sectors (PAEIJ-SP); and the Ministry of Grassroots Development, Crafts, Youth and Youth Employment (MDBAJEJ) must redefine the instruments and/or means of promoting education and integration of young people.

The findings of this research suggest that actions should be taken both upstream to facilitate access to private training and downstream to guarantee the capacities of young people in terms of outcomes in the labour market. Thus, the State can use budgetary allocation as an instrument to resolve the structural deficiencies of public schools in order to improve the quality of public education. This could make the education system competitive and efficient. Likewise, it is necessary to adapt the training curricula of private schools to public ones in order to reduce training inequalities, which to a certain extent will mitigate the sacrifices of certain poor families wishing to enrol their children in private schools. This policy will result in the reduction of inequalities in outcomes in the labour market.

Furthermore, taking measures to allow young people in the Maritime and Kara regions of residence to access private training schools is also necessary. While it is true that young people residing in these two regions of the country are integrating better, public authorities must invest more in regions where the rate of access of certain segments of the population to private training schools remains low. It is also advisable for the policy makers to strengthen the technical support mechanisms for young people who graduate from these two types of training through awareness campaigns. To this end, agents of the Ministry of Grassroots Development, Crafts, Youth and Youth Employment (MDBAJEJ) can be called upon to contribute through the consolidation of the training components for young individuals at the end of their training.

Finally, given the existence of a significant proportion of young people who do not have access to private training, State policy makers involved in promoting the funding of the education system in Togo can make the financial support granted more effective for the education sector. It is advisable to operationalize the support intended for private schools and universities through a relaxation of the accreditation files of these schools with the Ministry of Primary, Secondary, Technical and Craft Education (MEPSTA) and the Ministry of Higher Education and Research (MESR). Periodic evaluation of private and public training centres is necessary to ensure their effectiveness.

This research presents some limitations that must be highlighted and whose consideration in future researches would lead to other avenues of investigation. Indeed, given the unavailability of certain information in the database, such as the type of sector chosen by the young people, it would be important for the various data collection bodies in Togo to take into account this type of information on the young people who have been integrated in order to see what type of education pattern facilitates integration and results in good performances in the labour market. Thus, considering this detail in future research would lead to going beyond the policy recommendations that have been made in this work and to gaining a deeper knowledge of the training profile of the young people which would lead them to have a greater speed of integration into employment and better outcomes in the labour market. In addition, information on other labour market outcomes, notably employment quality, will be important to enrich future researches on issues related to inequalities in access to education. Indeed, employment quality is a labour market indicator that is gaining more and more ground in performance issues in the labour market. Wage is considered as a measure of employment quality but it only takes into account one dimension. However, it would be relevant in future researches to capture this indicator via a multidimensional approach that takes into account other conditions linked to the employment of young people in the age group considered.

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Mission

To strengthen local capacity for conducting independent, rigorous inquiry into the problems facing the management of economies in sub-Saharan Africa.

The mission rests on two basic premises: that development is more likely to occur where there is sustained sound management of the economy, and that such management is more likely to happen where there is an active, well-informed group of locally based professional economists to conduct policy-relevant research.

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