Chapter 3

# Job Satisfaction in Eight African Cities

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Researchers from various disciplines have examined job satisfaction. Psychologists and sociologists have explored the role of job satisfaction in individuals' mental balance; other researchers have also studied individual well-being taking a broader, multidisciplinary approach. Economists have studied job satisfaction with a view to improving the understanding of the match between the supply and demand of labor.<sup>1</sup>

Most work has focused on developed countries. Recent interest in this issue in developing countries stems largely from concerns about the quality of working conditions, as seen from discussions at the International Labour Organization (ILO) and elsewhere on the concept of "decent work."

The analysis in this chapter seeks to improve the understanding of labor market conditions in Sub-Saharan Africa. To the authors' knowledge, only two studies (Falco, Maloney, and Rijkers 2011; Rakotomanana 2011) examine the broad determinants of job satisfaction in Africa.<sup>2</sup>

Empirical analyses confirm the existence of negative links between job satisfaction and objective facts such as the decision to quit a job (Freeman 1978; Lévy-Garboua, Montmarquette, and Simonnet 1999; Clark 2001). Studies also show that job satisfaction is correlated with on-the-job behavior, including absenteeism and productivity (Judge and others 2001). These findings challenge the idea that individuals' assessments of their satisfaction are purely idiosyncratic and economically irrelevant (pure "noise").

Job satisfaction came to the fore with the rise in analyses of subjective wellbeing, especially research by Easterlin (2001, 2003) and Frey and Stutzer (2002). The importance of work in an individual's life, for both the income it provides and its intrinsic value, makes job satisfaction a key component of well-being. Judge and Watanabe (1993) show that the causal link between job satisfaction and subjective well-being can run in both directions. Most empirical results, however, find that job satisfaction affects well-being (Warr 1999).

Interest in job satisfaction is growing in the developed countries, and research on the issue is on the rise in transition economies. Studies on this theme are still rare, if not nonexistent, in developing countries, however, especially in Africa. The lack of research is surprising given that employment is the main source of income in these countries, and working conditions are often harsh; work is therefore particularly important in an individual's life. Understanding how individuals assess their work—their earnings, working conditions, and intrinsic value placed on different types of employment (fulfillment, social recognition, participation/exclusion, and so forth)—is vital for evaluating labor markets.

This chapter is organized as follows. The first section reviews the economic literature on this subject. The second section presents the data used and describes the approach adopted. The third section provides a preliminary descriptive analysis of job satisfaction in the eight African capitals studied.<sup>3</sup> The fourth section presents and analyzes the results of the econometric estimations. The last section summarizes the main findings and proposes avenues for further research.

### **Review of the Literature**

Warr (1999) distinguishes between intrinsic and extrinsic job satisfaction. Intrinsic components include the opportunity to manage and supervise, the degree of autonomy, the use of capacities and skills, the variety of tasks, the absence of physical danger, the clarity of information on the professional environment, work relations, and social position. Extrinsic components include remuneration, working conditions, and job security.

Sousa-Poza and Sousa-Poza (2000) adopt the classification used by Judge and Watanabe (1993) to compare job satisfaction in some 20 countries. They adopt a bottom-up approach, assuming that various external factors affect job satisfaction. Job satisfaction is determined by the balance between work-role inputs (hours worked, effort, education) and work-role outputs (remuneration, nonwage benefits, status, opportunities for advancement, independence and self-direction, job security, job interest, social recognition, and relations with colleagues). This approach explains differences across countries in terms of the weight and relative importance of the two types of factors.

D'Addio, Eriksson, and Frijters (2003) look at the many criteria that come into play when assessing the quality of a job. They identify another way of understanding satisfaction by distinguishing between the economic contract (in which the focus is on the relationship between effort and reward) and the psychological contract (in which the focus is on working conditions).

Much of the debate in the literature concerns how to interpret several key findings. The first is the relationship between income level and satisfaction, which is not obvious (Clark and Oswald 1996; Lévy-Garboua and Montmarquette 1984). A second issue is the relationship between objective job characteristics (working hours and work pace, leave, job security, job type) and job satisfaction levels. The literature finds a weak correlation between these variables and job satisfaction (D'Addio, Eriksson, and Frijters 2003; Llorente and Macías 2005). Some findings are counterintuitive: although women and the least educated generally have poorer-quality jobs, they are more inclined than other workers to report job satisfaction (Clark and Oswald 1996; Clark 1997; D'Addio, Eriksson, and Frijters 2003). Age also plays a role, with job satisfaction declining until about age 40 and then rising (Lévy-Garboua and Montmarquette 1984; Clark, Oswald, and Warr 1996).

Two factors may help explain these results. First, classic economic variables (such as wages and working hours) do not capture job quality. A wide range of other job characteristics, which surveys rarely measure, also affect satisfaction (see chapters 1, 4, and 5). Second, the level of self-reported satisfaction depends on the individual's aspirations, which are determined by various factors, including social background and reference group. The closeness of the match between expectations and outcomes plays a decisive role in individual satisfaction levels. Based on an analysis of 19 countries in the Organisation for Economic Co-operation and Development (OECD), Clark (2004) observes that workers report that wages and working time are among the least important characteristics in rankings of what matters in a job. Factors such as promotion opportunities are considered very important. Job type, content, and interest and work relations are also important (Sousa-Poza and Sousa-Poza 2000; D'Addio, Eriksson, and Frijters 2003). Idson (1990) and Garcia-Serrano (2008) stress the importance of the work environment. They find less flexibility and autonomy in large businesses and posit that this characteristic explains the lower level of satisfaction at large companies.

The many factors involved in evaluating job quality are also behind the differences in satisfaction by socioeconomic group, industrial sector, and institutional sector in some studies (Clark and Oswald 1996; D'Addio, Eriksson, and Frijters 2003; Beuran and Kalugina 2005). Beuran and Kalugina (2005) observe that in the Russian Federation, working in the informal sector increases well-being, despite lower average earnings, poor working conditions, job insecurity, and exclusion from the social security system. Razafindrakoto and Roubaud (2006) draw the same conclusion for African countries. In Madagascar, Rakotomanana (2011) shows that, everything else equal, levels of job satisfaction in the informal sector and private formal sector are not significantly different; public sector employees are systematically the most satisfied. Using Ghanaian panel data, Falco, Maloney, and Rijkers (2011) find that the informal sector and the formal sector (both private and public) provide similar levels of job satisfaction. Razafindrakoto, Roubaud, and Wachsberger (2012) find the same result in Vietnam. Own-account workers-who may be more exposed to income instabilityare more satisfied than wage earners (Blanchflower and Oswald 2004). Falco, Maloney, and Rijkers (2011) confirm this pattern in urban Ghana. These findings confirm the importance of factors such as self-direction and independence, flexibility, employment status, and the quality of work relations.

Some analyses find that union members express less satisfaction than other workers (Freeman 1978; Clark 2004). This seemingly paradoxical result may be explained by the finding by Bryson, Cappelari, and Lucifora (2005) that people who join unions have the highest expectations of working conditions and are therefore harder to satisfy. Their expectations may stem from better knowledge of their rights (labor law) or from higher levels of individual aspirations.

Women, the least educated, and the youngest and oldest workers have lower (or downward revised) aspirations and are therefore more inclined to say they are satisfied with their job. Individual, especially psychological, characteristics, also affect overall subjective well-being and job satisfaction, with causality running in both directions (Judge and Watanabe 1993; Warr 1999).

Different interpretations have been posited to explain the weak correlation between income and job satisfaction. Cross-sectional analyses of subjective well-being show that once vital needs have been satisfied, the link between well-being and income is not strong (Easterlin 2001; Frey and Stutzer 2002). A large number of sociologists and psychologists have also looked at the role of culture, including both collective and individual values regarding work in general and certain types of work (Malka and Chatman 2003; Gelade, Dobson, and Auer 2008).

Various authors emphasize the importance of social interaction effects ("social comparison"). Clark and Oswald (1996) show the negative effect of the income of the reference group (estimated from the predicted income value based on the characteristics of the job and the individual). Relative income (the subjective perception of one's income level compared with the income of one's peers) has a greater effect on satisfaction than actual income amount (Clark 2004). Pichler and Wallace (2009) reach the same conclusion in an analysis of 27 European countries. They show that, job and individual characteristics aside, the average level of earnings in a country influences the level of satisfaction.

A broader view is that not only the immediate environment but also the past and present context affect the formation of individual aspirations. Hamermesh (2001) points to the influence of changes in the socioeconomic context. Llorente and Macías (2005) draw on an analysis of some 20 countries to suggest that the fact that aspirations adjust with time and actual conditions indicates the weak correlation between objective variables and the level of satisfaction. Aspirations are revised downward or upward depending on the how the situation in a country develops.

Many analyses study the weight of the past as a determinant of satisfaction (Lévy-Garboua and Montmarquette 1984; Clark and Oswald 1996; Hamermesh 2001). Employment history (mobility and experience) influences the formation

of individuals' aspirations. Longitudinal analyses study the relationship between individuals' employment trajectories and their level of satisfaction. Lack of satisfaction is found to be a good predictor of professional mobility, in particular of quitting or changing jobs (Freeman 1978; Lévy-Garboua, Montmarquette, and Simonnet 1999; Clark 2001; Kristensen and Westergård-Nielsen 2004).

As with the majority of analyses of perceptions (especially subjective wellbeing), uncertainty remains regarding the direction of causality. It is hard to deal with problems of endogeneity, especially when psychological factors simultaneously affect the variables studied. For instance, optimistic people could feel intrinsically more satisfied and earn more because they are more dynamic or better appreciated by their boss or clients. Earning a good salary may be a source of satisfaction, but feeling satisfied may be a way to increase one's wage (through promotions, for example). The nature of the data does not allow the causality path to be identified.

Self-selection biases, linked to nonrandom labor market participation or sectoral allocation, are also at play. Indeed, it could be said that people who work are people who can potentially derive the highest level of satisfaction from their job. Such a bias could prove important in explaining why women report satisfaction more often than men. Given these problems, the results in this chapter should be interpreted as statistical correlations, not causal impacts.

### **Data Used and Approach Taken**

### The Data

The data for the analysis come from Phase 1 of the Programme d'Appui Régional à la Statistique (PARSTAT) regional program's1-2-3 surveys of seven West African economic capitals (Abidjan, Bamako, Cotonou, Dakar, Lomé, Niamey, and Ouagadougou) and Antananarivo (Madagascar).<sup>4</sup> These surveys were conducted in 2001/02 using exactly the same methodology (Brilleau, Ouedraogo, and Roubaud 2005). The data are thus perfectly comparable. (For a description of the 1-2-3 surveys, see box O.1 in the overview.)

The surveys, which provide information on both individual characteristics (including trajectory elements) and objective characteristics of the jobs held, provide an extremely rich database for studying job satisfaction. The question used to capture satisfaction differs from the one usually put to address this subject, which is generally "How satisfied are you with your main job?" The question in the 1-2-3 surveys, put to all respondents 15 and older, was "What are your employment plans for the future?" The answer categories were as follows: 1. Find a first job, 2. Find a new job in the same firm (job promotion), 3. Find a new job in another firm, and 4. Keep the job you currently have or continue not to work. Given the difficulty of ranking the categories using an ordinal scale,

respondents were divided into two groups: people who want to keep their job/ employment status (category 4; that is, people who are presumably satisfied) and people who want to change their job (categories 1, 2, and 3; that is, people who are dissatisfied).<sup>5</sup>

The drawback to using a different question than usual is that the results are not entirely comparable with the findings presented in the literature. In addition, some workers may declare not wishing to change their position not because they are satisfied but because they have revised their aspirations downward. This criticism is not unique to the question included in this analysis; it applies to all subjective approaches (including the standard job satisfaction question). It should be kept in mind when interpreting the results, however.

The approach used here links satisfaction and aspirations. It also allows for the inclusion of job-seekers and inactive (in particular, discouraged) workers and hence assessment of the extent to which inactivity is voluntary or involuntary.

### Methodological Approach and Model Tested

We identify the determinants of job satisfaction by combining the approaches focusing on the importance of aspirations and of (generally unobserved) intrinsic work value factors (the possibility of promotion, training, autonomy, work relations) on the one hand and the classic objective working conditions variables (remuneration, working hours), which procure extrinsic satisfaction, on the other. We use the classification used by Warr (1999) to capture job quality (figure 3.1). Our hypothesis is that satisfaction exists when a job's characteristics are well matched to the jobholder's aspirations.



#### Figure 3.1 Model of Job Satisfaction

The model we test is  $S_{ik} = f(\mathbf{X1}_{ik}, \mathbf{X2}_{ik}, \mathbf{A}_i)$ , where  $S_{ik}$  is the satisfaction of individual *i* with job *k*;  $\mathbf{X1}_{ik}$  is the job's extrinsic characteristics vector;  $\mathbf{X2}_{ik}$  is the job's intrinsic characteristics vector; and  $\mathbf{A}_i$  is the individual's aspirations vector.  $\mathbf{X1}_{ik}$  captures earnings, fringe benefits, hours worked, and job security variables such as a written contract, status as a wage-earner, and steady work. Given the absence of accurate information on the majority of the factors relating to the intrinsic value of the job, we use the following proxies for  $\mathbf{X2}_{ik}$ : variables on socioeconomic group (which typifies job content); institutional sector (public, formal private, and informal sector); firm size; and presence of a union.

Taking the results obtained in the literature as a starting point, we assume that aspirations  $(\mathbf{A}_i)$  are determined by the individual characteristics of individual *i* (gender, age, level of education, marital status, migrant status, and social background, including father's level of education and employment) as well as by the characteristics of the individual's reference group (reference group earnings =  $y^*$ ) and the socioeconomic context in the country (country dummy). Aspirations are not perfectly controlled for: if sociodemographic variables do capture some sociological patterns, they are at best rough proxies of individual expectations.

Individual factors also influence the quality of the job held. For equal job characteristics, however, the significance of individual factors in determining the level of satisfaction essentially reflects the effect of aspirations. More generally, we relax part of the endogeneity biases by introducing fixed effects (countries and households).

Because income relative to the reference group has a stronger effect than absolute income, rather than introduce individuals' earnings levels, we use a variable that ranks individuals by the income centile to which they belong in their country  $(y/y^*$  [earnings/average earnings in the country]). This option, adopted to overcome the problem of earnings comparability across countries, directly incorporates the comparative income effect and therefore one of the channels through which aspirations are determined. The two measurements are equivalent for the country models.

This approach provides a way to identify the nature and influence of the "intrinsic" job value factors, the more classic objective ("extrinsic") variables, and the factors likely to influence aspirations. We do not seek to isolate the effect of psychological factors (which affect aspirations in particular), about which we have no information. However, if psychological factors are correlated with individual sociodemographic variables, they can at least partially be taken into account. At the same time, we can check the extent to which the stylized facts obtained in developed countries apply to the African cities considered here.

# **Descriptive Findings on Satisfaction Levels**

### Level of Satisfaction by Labor Force Status

Analysis of the perceptions of the entire working-age population (15 and older) finds relatively similar satisfaction rates across cities (table 3.1). Overall, no more than half of the population report satisfaction with their situation. Abidjan and Antananarivo differ from the other capitals for the very low percentage of satisfied individuals who are inactive. As labor force participation rates are not particularly low in the two cities (Abidjan has a higher than average rate), this finding reflects labor market entry constraints that conceal the fact that many inactive individuals would actually like to work.

Not surprisingly, job-seekers are the least satisfied with their status, with a satisfaction rate of close to zero (the difference from zero may reflect measurement errors). This finding may appear to be a truism, as job-seekers are by definition looking for jobs. However, it contradicts the theories about the voluntary nature of unemployment. It bears out the conclusions of recent studies on the monetary and social integration deficit and the psychological costs of unemployment (Frey and Stutzer 2002; Alesina and Glaeser 2004).

More than 90 percent of discouraged workers are also dissatisfied. This finding points to the huge growth that could be expected in labor force participation rates in the event of an economic upturn.

When the analysis is narrowed to employed workers, the inhabitants of Dakar, Lomé, and Abidjan are the most dissatisfied (with rates of about 45 percent); a larger number of residents of Antananarivo (61 percent) and Cotonou (57 percent) report being satisfied with their work. It is hard to compare these figures with findings in other countries, because the question was not put the same way. Nonetheless, satisfaction rates appear to be much lower than in the developed countries and similar to those found in transition economies.<sup>6</sup>

### Level of Satisfaction by Sociodemographic Characteristics

The rest of the analysis focuses on the employed working-age population. In keeping with the findings in the literature, women are more often satisfied with their job than are men (table 3.2). However, additional analysis is required to determine the extent to which this phenomenon persists after controlling for other factors and handling any selection bias problems. Household heads and their spouses express job satisfaction much more often than other household members. Single people report job satisfaction less often than married people. This observation is surprising given that single people would seem to face fewer constraints (especially financial constraints) and have greater leeway when looking for a job. Age may partially explain these results, as the job satisfaction rate increases with age. Job satisfaction among young people is very low (less than one-quarter of people under 20 are satisfied), mainly because of the entry

	West Africa									
Status	Abidjan	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou	Antananarivo		
Employed	46.9***	54.9***	56.7***	45.0***	46.8***	49.1***	53.1***	61.1***		
	(1.2)	(1.8)	(2.0)	(1.1)	(1.8)	(1.6)	(2.2)	(2.0)		
Unemployed	2.3***	6.7***	4.0***	5.5***	3.8***	2.6***	1.0***	0.4***		
	(0.7)	(1.9)	(1.5)	(1.0)	(1.2)	(0.7)	(0.3)	(0.3)		
Discouraged	2.6***	10.1***	8.2***	7.8***	13.2***	3.4***	3.7***	16.5***		
	(1.3)	(2.5)	(4.2)	(1.3)	(3.6)	(0.7)	(1.2)	(2.5)		
Inactive	28.5***	50.1	44.9**	50.7***	45.6	50.6***	54.5***	28.4***		
	(1.8)	(2.7)	(3.6)	(1.6)	(3.0)	(1.7)	(2.1)	(2.3)		
All	36.8***	49.2***	50.4***	41.7	42.9	42.4	44.8*	42.6		
	(1.1)	(1.7)	(2.0)	(1.0)	(1.7)	(1.2)	(1.6)	(1.1)		

 Table 3.1
 Level of Job Satisfaction in Eight Cities in Sub-Saharan Africa, by Labor Force Status, 2001/02

 (percent)
 (percent)

Sources: Based on Phase 1 of the following 1-2-3 surveys: West African Economic and Monetary Union (WAEMU) 2001/02 (Observatoire économique et statistique d'Afrique Subsaharienne [AFRISTAT], Développement, Institutions et Mondialisation [DIAL]; and national statistics institutes); Madagascar 2001 (DIAL and Institut National de la Statistique [INSTAT]).

Note: Figures are for individuals 15 and older. The mean was modified to allow for the sampling design; the mean test shows the difference between each category and the rest of the sample. Figures in parentheses are standard errors.

\* significant at the 10 percent level, \*\* significant at the 5 percent level, \*\*\* significant at the 1 percent level.

# Table 3.2 Level of Job Satisfaction in Eight Cities in Sub-Saharan Africa, by Individual Characteristics, 2001/02 (percent)

			Indian Ocean						
Characteristic	Abidjan	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou	Antananarivo	All
Gender									
Male	43.9***	52.2*	54.5	36.8***	44.4***	45.6***	50.1***	60.9	47.3***
	(1.2)	(1.8)	(2.0)	(1.0)	(1.8)	(1.6)	(2.0)	(2.2)	(0.7)
Female	57.2***	61.1*	60.1	63.6***	60.3***	57.5***	62.9***	63.6	60.3***
	(2.8)	(4.7)	(6.6)	(5.3)	(4.6)	(4.0)	(2.8)	(4.7)	(1.7)
Position in household									
Household head	54.1***	62.4***	63.0***	49.2***	52.8***	54.1***	57.8***	68.9***	57.4***
	(1.6)	(2.0)	(2.0)	(1.6)	(1.9)	(1.8)	(2.7)	(2.1)	(0.9)
Spouse	53.3***	57.3***	67.4***	46.5***	55.3***	55.0***	59.5***	69.3***	58.2***
	(1.9)	(2.7)	(2.5)	(2.1)	(2.5)	(2.3)	(2.5)	(1.7)	(0.9)
Other	31.2***	34.8***	34.5***	33.1***	28.0***	31.9***	39.5***	41.3***	33.5***
	(1.5)	(2.2)	(2.8)	(1.1)	(1.9)	(1.9)	(2.7)	(3.9)	(0.8)
Marital status									
Married	55.2***	60.7***	65.1***	47.6***	55.1***	55.2***	59.4***	60.6**	57.1***
	(1.4)	(2.1)	(2.0)	(1.2)	(2.0)	(1.8)	(2.4)	(2.1)	(0.7)
Single	32.1***	34.3***	33.0***	29.5***	27.7***	29.0***	36.1***	53.9*	31.9***
	(1.6)	(2.0)	(2.7)	(1.3)	(1.8)	(1.9)	(2.8)	(3.4)	(0.8)
Separated, divorced, or widowed	56.5***	61.1*	64.3**	46.0**	52.4***	59.6***	69.6***	80.5***	58.6***
	(3.3)	(5.1)	(4.5)	(3.1)	(3.1)	(3.2)	(4.3)	(2.7)	(1.5)
Age									
<20	22.3***	23.3***	24.3***	25.8***	20.0***	22.6***	30.3***	26.6***	24.1***
	(1.9)	(2.3)	(3.3)	(1.9)	(2.1)	(2.2)	(2.4)	(6.6)	(1.0)
20–29	37.3***	45.3***	44.6***	32.0***	39.3***	37.1***	41.9***	43.4***	38.9***
	(1.6)	(2.6)	(2.6)	(1.5)	(2.2)	(2.3)	(3.2)	(2.3)	(0.8)

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30–39	47.9**	52.0	59.6***	37.5	47.1	45.4	52.2	62.7	49.9***
	(1.7)	(2.5)	(2.4)	(1.9)	(2.3)	(1.9)	(2.4)	(3.0)	(0.9)
40–49	61.4***	67.3***	68.6***	48.4***	59.7***	60.7***	63.9***	73.0***	62.4***
	(2.1)	(2.6)	(2.8)	(1.8)	(2.5)	(2.3)	(2.6)	(2.6)	(1.1)
50+	72.2***	76.4***	82.1***	60.4***	73.0***	69.3***	81.9***	84.9***	74.4***
	(2.2)	(2.6)	(2.2)	(1.9)	(2.7)	(2.2)	(3.1)	(2.0)	(1.0)
Education									
None	54.0***	57.3***	61.2***	42.6***	55.3***	54.8***	58.0***	65.2	53.3***
	(1.8)	(2.2)	(3.2)	(1.4)	(2.3)	(1.9)	(2.8)	(7.5)	(0.9)
Primary	38.1***	46.0***	49.6***	31.7***	39.9***	34.8***	43.0***	55.9**	41.9***
	(1.5)	(2.7)	(2.3)	(1.5)	(2.3)	(2.1)	(2.2)	(3.1)	(0.9)
Lower-secondary	39.0***	44.2***	53.0	38.6	43.1	43.1*	44.5***	58.4	45.5***
	(2.1)	(2.7)	(2.8)	(1.8)	(2.1)	(2.5)	(2.8)	(2.7)	(1.0)
Upper-secondary	49.8*	43.5***	53.2	37.7	44.2	41.8	52.7	67.5***	51.5***
	(2.8)	(3.5)	(3.6)	(2.4)	(2.5)	(3.1)	(3.8)	(2.3)	(1.4)
Higher	40.7	60.4***	59.0	48.5***	45.8	45.3	53.0	71.3***	51.8**
	(3.5)	(3.2)	(3.9)	(3.1)	(3.3)	(3.2)	(3.5)	(2.2)	(1.6)
Migrant status									
Native	39.6***	46.7***	50.2***	37.5**	43.0*	37.5***	48.1***	60.3**	46.2***
	(1.8)	(2.1)	(2.3)	(1.2)	(1.9)	(1.7)	(2.6)	(1.9)	(0.9)
Migrant	47.6***	57.5***	58.6***	41.4**	46.4*	52.6***	53.8***	65.1**	50.1***
	(1.3)	(2.3)	(2.1)	(1.5)	(2.0)	(1.7)	(2.4)	(2.6)	(0.8)

Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 3.1 for details). Note: Figures are for all employed workers. The mean was modified to allow for the sampling design; the mean test shows the difference between each category and the rest of the sample. Figures in parentheses are standard errors. \* significant at the 10 percent level, \*\* significant at the 5 percent level, \*\*\* significant at the 1 percent level.

problems they encounter and the fact that labor market conditions often fail to satisfy their aspirations.

The link between job satisfaction and education reveals a *U*-shaped curve: people at the two tails of the distribution (the least educated and the most educated) post high rates of satisfaction. The fact that people with the least education—and therefore the fewest opportunities to find good jobs—have high job satisfaction probably reflects the fact that the least educated limit their aspirations. Labor market conditions are more positive for the few graduates there are.

Migrants report satisfaction with their jobs more often than nonmigrants. Either a selection effect is at work or migrants adapt their aspirations, or they are driven by an integration goal and actually manage to find better jobs than native residents.

These results do not establish direct links between satisfaction and individual characteristics (particularly position in the household and marital status), given the endogeneity issues. The variables do reflect some psychological unobservables that influence both satisfaction and employment.

### Level of Satisfaction by Job Characteristics

Public sector workers are more likely than workers in other sectors to want to keep their job—an unsurprising result given the better benefits these workers enjoy (table 3.3). Workers in the informal private sector are more satisfied with their jobs than workers in the formal private sector (except in Antananarivo and Dakar). Additional checks are needed to determine whether this result holds after controlling for other variables and aspirations.

The results by industry vary a great deal across countries, but they appear to reflect the ranking of the sectors by their level of development and prosperity. Satisfaction is highest in trade in Cotonou and Lomé (and, to a lesser extent, in Niamey and Dakar). In Abidjan, satisfaction is higher in the primary sector (the country's most buoyant sector). Wage-earner status does not guarantee greater job satisfaction in the countries studied. Although wage-earners are more satisfied than non-wage-earners in Antananarivo, Dakar, and Bamako, in the other cities, at least as many non-wage-earners as wage earners report being satisfied with their job.

The level of satisfaction tends to grow as employees climb the socioeconomic ladder, with the highest rates found among managers (except in Niamey, where managers have a very low rate of satisfaction). Among non-wage-earners, employers and proprietors are more likely to be satisfied than workers who are self-employed. The ranking of contributing family workers and apprentices is not clear-cut, but both categories exhibit low levels of satisfaction (about 20 percent on average; Antananarivo is once again an exception, with 44 percent of family workers reporting being satisfied).

			Indian Ocean						
Sector	Abidjan	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou	Antananarivo	All
Institutional sector									
Public sector	58.3***	67.4***	64.4**	58.1***	61.5***	48.7	59.7***	79.5***	62.9***
	(3.6)	(3.0)	(5.0)	(2.7)	(3.3)	(2.4)	(2.9)	(2.1)	(1.4)
Formal private sector	44.1	48.6	53.0	38.9	37.4***	42.1*	47.3*	62.9	47.9
	(2.3)	(2.8)	(3.3)	(1.9)	(2.4)	(2.5)	(2.6)	(2.8)	(1.3)
Informal sector	44.3	51.1**	53.9	37.1***	44.5	46.8	50.8	56.7***	46.6***
	(1.3)	(2.0)	(2.2)	(1.1)	(1.9)	(1.8)	(2.5)	(2.0)	(0.7)
Industrial sector									
Primary	56.6**	55.7	59.3	40.3	46.3	43.4	50.9	64.5	53.5***
	(4.8)	(5.0)	(8.1)	(3.6)	(4.6)	(3.6)	(4.1)	(5.1)	(2.0)
Manufacturing	42.5*	47.2***	46.1***	33.7***	42.3*	43.7**	52.4	60.8	45.2***
	(2.0)	(2.7)	(3.0)	(1.6)	(2.3)	(2.2)	(2.8)	(2.8)	(1.1)
Trade	51.0***	54.3*	61.8***	43.0***	47.9***	51.1***	52.8	62.3	52.3***
	(1.5)	(2.0)	(2.3)	(1.5)	(2.2)	(2.1)	(2.6)	(1.8)	(0.8)
Services	41.3***	53.1	51.8***	39.9	43.4	45.9	49.3*	60.2	46.3***
	(1.5)	(2.0)	(2.1)	(1.3)	(2.0)	(1.9)	(2.3)	(2.1)	(0.8)
Wage-earner status									
Non-wage-earner	46.7**	51.1**	55.0	37.5**	46.1**	46.3	52.1	59.6**	48.3
	(1.4)	(2.0)	(2.2)	(1.1)	(1.9)	(1.8)	(2.3)	(1.9)	(0.7)
Wage-earner	42.9**	56.4**	53.8	41.6**	41.2**	46.6	49.9	62.9**	48.3
	(1.6)	(2.3)	(2.8)	(1.5)	(2.2)	(2.0)	(2.5)	(2.3)	(1.0)
Socioeconomic group									
Wage-earner									
Senior manager, engineer, or similar	55.2*	71.3***	62.8	65.5***	58.3*	45.3	59.2	81.9***	61.4***
	(5.6)	(4.7)	(5.3)	(5.1)	(8.1)	(4.3)	(4.7)	(3.9)	(2.1)

(continued next page)

### Table 3.3 (continued)

				Indian Ocean					
Sector	Abidjan	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou	Antananarivo	All
Middle manager, supervisor	53.5**	54.9	59.6	52.9***	53.6*	50.0	57.8	67.7*	55.6***
	(3.3)	(3.7)	(5.2)	(2.9)	(5.0)	(3.1)	(4.2)	(3.9)	(1.6)
Skilled manual/nonmanual	44.2	60.8**	55.5	48.6***	49.7*	54.7**	58.6**	69.1***	56.0***
	(3.5)	(4.1)	(3.0)	(2.2)	(3.0)	(3.9)	(3.6)	(2.2)	(1.5)
Semi-skilled manual/ nonmanufacturing	44.7	51.1	51.4	35.1	34.2***	40.4*	51.4	59.1	45.0**
5	(2.5)	(4.6)	(4.1)	(2.9)	(3.3)	(3.5)	(7.1)	(4.0)	(1.5)
Unskilled	32.2***	47.1	36.2***	30.3***	26.6***	44.0	35.9***	48.9***	35.9***
	(2.8)	(4.6)	(5.2)	(2.7)	(3.5)	(3.4)	(2.7)	(3.7)	(1.5)
Non-wage-earner									
Employer	65.3***	65.8***	72.5***	50.0*	55.5***	69.3***	66.0***	84.5***	66.4***
	(2.5)	(4.3)	(3.9)	(6.1)	(3.9)	(4.5)	(4.5)	(4.6)	(1.6)
Self-account worker	52.9***	54.4**	63.0***	43.4***	52.0***	54.7***	61.0***	61.3	54.2***
	(1.6)	(2.1)	(2.2)	(1.4)	(2.1)	(2.0)	(3.3)	(2.5)	(0.8)
Apprentice	18.6***	22.7***	23.7***	23.1***	21.6***	15.1***	16.6***	11.2***	20.6***
	(2.4)	(4.2)	(3.9)	(1.9)	(3.5)	(2.0)	(2.7)	(7.9)	(1.2)
Contributing family worker	22.1***	20.1***	27.1***	19.5***	20.9***	28.2***	35.3***	43.8***	28.4***
	(3.1)	(3.7)	(4.1)	(2.6)	(3.1)	(2.9)	(3.7)	(4.0)	(1.5)

Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 3.1 for details). Note: Figures are for all employed workers. The mean was modified to allow for the sampling design; the mean test shows the difference between each category and the rest of the sample. Figures in parentheses are standard errors. \* significant at the 10 percent level, \*\* significant at the 5 percent level, \*\*\* significant at the 1 percent level.

## **Econometric Analyses**

### **Results at the Aggregate Level**

The aim of the analysis was to identify the influence of three types of factors on job satisfaction:

- Variables affecting the formation of aspirations (individual, country, and household characteristics)
- Classic objective job variables that generate "extrinsic" satisfaction (remuneration, working conditions, and job security)
- Variables that reflect a job's intrinsic value (socioeconomic group, institutional sector, firm size, and existence of a union). These variables capture the opportunity to manage and supervise, work on one's own initiative, use one's capacities and skills, perform a variety of tasks, maintain good work relations, hold a suitable social position, and so forth.

Controlling for the effect of aspirations clarifies the nature of the effects of various job characteristics on job satisfaction.

Several approaches were considered to at least partially allow for endogeneity effects. First, country dummy variable controls were introduced for the unobserved factors relating to the national context, which influence the individuals' satisfaction levels; access to good-quality jobs (employment contract, steady work, wages, and so forth); and even the number of hours worked. Second, given that in the vast majority of households individual data were available on several members, we were able to conduct estimates purged of household fixed effects. This approach controls for unobserved factors related to household characteristics (family background, potential common traits), which influence the individuals' type of labor market integration as much as satisfaction does.

Several stylized facts have been observed in developed countries and transition economies. Women; the least educated; people from modest social backgrounds (people whose father had no more than primary education, people who are self-employed in a small family business); and, to a certain extent, the oldest individuals are more inclined than other workers to express job satisfaction (table 3.4). These stylized facts can be interpreted as evidence of the downward revision of aspirations.

The level of education has a convex effect on job satisfaction, with the least educated and university graduates more inclined to be satisfied with their jobs (the coefficient corresponding to the square of the number of years of education is positive). The negative correlation with the level of satisfaction for widowed and divorced workers and migrants may reflect the effect of psychological factors on general well-being. The fact that the coefficients are no longer significant

			(3) Household fixed			(6) Household fixed
Variable	(1)	(2)	effect	(4)	(5)	effect
Sociodemographic characterist	ics					
Female	0.366***	0.365***	0.495***		0.291***	0.406***
Age	0.030**	0.024**	0.036*		0.017*	0.022
Age squared	0.000	0.000*	0.000		0.000***	0.000
Number of years of education	-0.046***	-0.047***	-0.057***		-0.042***	-0.054***
Number of years of education squared	0.000***	0.001***	0.000***		0.000***	0.000***
Father self-employed	0.090***	0.099**	0.098*		0.080**	0.092*
Father's education > primary	-0.220***	-0.220***	-0.430***		-0.222***	-0.436***
Migrant		-0.121***	-0.101		-0.125***	-0.076
Single		-0.131*	-0.093		-0.065	-0.017
Widowed or divorced		-0.219**	-0.003		-0.207**	-0.004
Job characteristics						
Relative income	0.015***	0.015***	0.018***	0.012***	0.012***	0.014***
Number of hours worked				0.004***	0.004***	0.005***
Wage-earner				0.146	-0.241***	-0.097
Written contract				0.153***	0.125***	0.022
Steady work				0.401***	0.316***	0.292***
Wages and benefits (reference	= not fixed, n	o benefits)				
Fixed wage				0.245***	0.213***	0.235***
Benefits				0.222**	0.171*	0.142
Sector (reference = formal priv	ate)					
Public sector				0.284***	0.188**	0.326**
Informal sector				0.053	0.016	-0.077
Type of worker (reference = un	skilled/apprer	ntice)				
Senior manager				0.081	0.329**	0.563**
Middle manager				-0.022	0.140*	0.216
Skilled/semi-skilled				0.161***	0.230***	0.203*
Proprietor/employer				1.207***	0.704***	0.851***
Self-employed				1.085***	0.481***	0.595**
Family worker				0.480**	0.299*	0.097
Number of workers (reference	=>50)					
Own account (1)				-0.275**	-0.236*	-0.165
2–5				-0.169**	-0.129*	-0.037
6–50				-0.164***	-0.099	-0.093

# Table 3.4 Logit Model of Determinants of Job Satisfaction in Eight Cities in Sub-Saharan Africa, 2001/02

(continued next page)

			(3) Househole fixed	d		(6) Household fixed
Variable	(1)	(2)	effect	(4)	(5)	effect
Union						
Union in the firm				-0.016	0,017	-0,038
Union member				0.071	-0,031	-0,053
Country dummy (reference =	Togo)					
Benin	0.399***	0.383***		0.474***	0.399***	
Burkina Faso	0.110***	0.101***		0.308***	0.145***	
Côte d'Ivoire	-0.029*	-0.014		0.129***	0.036*	
Madagascar	0.724***	0.629***		0.867***	0.718***	
Mali	0.202***	0.174***		0.317***	0.187***	
Niger	-0.077***	-0.083***		0.204***	0.002	
Senegal	-0.282***	-0.298***		-0.072***	-0.197***	
Constant	-1.981***	-1.736***		-2.184***	-2.264***	
Number of observations	38,532	38,532	17,029	38,270	38,264	16,841
Pseudo R <sup>2</sup>	0.105	0.106	0.237	0.08	0.117	0.254
Log (pseudo-likelihood)	-2,3895.7	-2,3868.9	-4,941.6	-2,4369.2	-2,3409.4	-4,776.1

### Table 3.4 (continued)

Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 3.1 for details).

Note: Relative income refers to the classification of each individual based on income centile. Categories of income centile are calculated for each country: the first centile category includes the 1 percent of the population with the lowest income.

\* significant at the 10 percent level, \*\* significant at the 5 percent level, \*\*\* significant at the 1 percent level.

when we consider household fixed effects confirms that the link between these two variables and job satisfaction is not direct.

The classic objective variables used to describe working conditions are all significantly correlated with job satisfaction:

- The link with income (relative income here) is significant and has the expected sign. The higher the income (compared with standard earnings in the country studied), the greater the tendency to express job satisfaction. Income far from determines the level of satisfaction, however, as the variance explained by the univariate models of earned income only is no greater than a few percentage points (models not reported).
- Steady work, a fixed wage, and fringe benefits have a positive effect on satisfaction.
- The positive value for the number of hours worked reflects the specific circumstances in the countries studied, where the risk of underemployment is high (and the fear of working too hard limited).

- Being a wage-earner does not appear to significantly influence the level of satisfaction, other things equal.<sup>7</sup> In countries where wage labor is not the rule, employees probably perceive employer-employee relations as a form of dependence, prompting a feeling of subordination and vulnerability (as the employer can decide to terminate employment at any time).
- Most of the variables used to capture the intrinsic value of the job also influence satisfaction in the expected direction, although middle managers express less job satisfaction than would be expected. This finding could be explained by the ambiguous situation in which middle managers—who have some autonomy but may be burdened by pressure from senior managers—find themselves.
- The public sector (administration and public corporations) is the most highly valued: given identical job characteristics, employed workers prefer to work in this sector. Job security elements are not captured by the models; prestige probably plays a decisive role in the preference for public sector employment.
- The formal private sector does not appear to be more desirable than the informal sector. This finding challenges the queuing theory put forward by many economic studies, which see it as a refuge sector.
- People who work in large firms (more than 50 people) are more likely to be satisfied with their job. Advantages in terms of community and social networks (events, a company canteen, the firm's reputation) may well win out over the benefits associated with smaller firms (autonomy, flexibility, more family-type relations). However, as the link between firm size and satisfaction is no longer significant when household fixed effects are taken into account, it probably reflects endogeneity.

The existence of or membership in a union has no effect on satisfaction, possibly because of the weak bargaining power of unions in the countries studied.

Analysis of the country dummy variables shows that people in Benin and Madagascar are more inclined to report being satisfied with their job; people in Côte d'Ivoire and Senegal tend to be more critical. These findings reflect differences in labor market conditions (not captured by the variables in our models). The sociopolitical contexts allow optimistic views in Antananarivo and Cotonou; it is less satisfactory in Dakar and Abidjan.<sup>8</sup>

### **Results by Country**

The signs of the coefficients are the same in all capitals for most of the factors that have a significant influence on satisfaction, and their magnitudes are extremely similar, suggesting the overall robustness of the approach and the results (table 3.5). However, the correlations are not systematically significant

Variable	Abidjan	Antananarivo	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou
Sociodemographic characteristics								
Female	0.283*	0.649***	0.517***	0.693***	0.041	0.294**	0.496***	0.780***
Age	0.078**	0.082**	0.041*	0.044	-0.027	0.034	0.012	-0.027
Age squared	0.000	0.000	0.000	0.000	0.001***	0.000	0.000	0.001**
Number of years of education	0.000	-0.102	-0.120***	-0.001	-0.051*	-0.085**	-0.090*	-0.087**
Number of years of education squared	-0.006*	0.000	0.005	-0.002	0.001	0.002	0.003	0.001
Father self-employed	0.046	-0.006	0.061	-0.071	0.225**	0.027	-0.025	0.063
Father's education > primary	-0.605***	-0.123	-0.547***	-0.528***	-0.176*	-0.317*	-0.868***	-0.678***
Migrant	-0.108	-0.049	0.231	-0.288*	0.049	-0.183	-0.095	-0.016
Job characteristics								
Relative income	0.021***	0.021***	0.008**	0.013***	0.016***	0.019***	0.009**	0.018***
Number of hours worked	0.001	0.010**	0.007*	0.004	0.007***	-0.002	0.002	0.010***
Wage-earner	-0.584*	-0.371	0.312	0.341	0.050	-0.544	0.150	0.069
Written contract	0.112	-0.001	-0.502*	0.128	0.133	0.099	0.475*	-0.185
Steady work	0.345	0.772***	0.141	0.262	0.337***	0.076	0.257	0.215
Fixed wage (reference = not fixed)	0.174	-0.059	0.893**	0.278	0.061	0.098	0.369	0.243
Sector (reference = formal private)								
Public	0.598**	0.110	0.428	0.641**	0.672***	0.770**	-0.349	0.227
Informal	0.156	-0.356	-0.302	0.028	0.159	-0.300	0.003	-0.484**

 Table 3.5
 Logit and Household Fixed-Effect Models of Determinants of Job Satisfaction in Eight Cities in Sub-Saharan Africa, 2001/02

(continued next page)

### Table 3.5 (continued)

Variable	Abidjan	Antananarivo	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou
Type of worker (reference = middle i	manager/skilled or semi-s	skilled)						
Senior manager	1.129**	0.486	0.647	-0.165	0.552	-0.382	0.031	0.822**
Proprietor/employer	0.766**	1.037**	1.211***	1.337***	0.091	0.688**	1.109**	1.146***
Self-employed	0.485*	0.009	0.798***	1.220***	0.217	0.731***	0.616**	0.981***
Union								
Union in the firm	-0.200	0.250	-0.183	0.170	-0.423**	0.280	-0.327	0.192
Union member	0.294	-0.362	0.395	-0.015	-0.094	-0.181	-0.023	-0.155
Number of observations	2,035	1,789	1,715	2,086	3,536	1,867	1,639	2,171
Pseudo R <sup>2</sup>	0.339	0.388	0.264	0.366	0.150	0.289	0.267	0.304
Log (likelihood)	-503.2	-401.3	-472.9	-504.7	-1194.8	-486.8	-462.2	-573.3

Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 3.1 for details). Note: Relative income refers to the classification of each individual based on income centile. Categories of income centile are calculated for each country: the first centile category includes the 1 percent of the population with the lowest income. \* significant at the 10 percent level, \*\* significant at the 5 percent level, \*\*\* significant at the 1 percent level.

for each country. The level of education has no effect on aspirations in Antananarivo and Cotonou. The influence of father's education is significant in all cities except Antananarivo. In Dakar the relationship between satisfaction and father's self-employment is stronger than elsewhere.

Some working conditions are associated with the level of satisfaction only in certain cities. For example, the written contract is highly valued only in Niamey. Having a fixed wage is seen as positive, other things being equal, only in Bamako. Wage labor is perceived negatively in Abidjan (where wage-earning appears to imply adverse working conditions).

Working in the public sector is likely to generate satisfaction in Abidjan, Cotonou, Dakar, and Lomé; it has no significant effect on satisfaction in Antananarivo, Bamako, Niamey, or Ouagadougou. The correlation between job satisfaction and informal sector employment is positive in Dakar but negative in Ouagadougou. Self-employment is associated with job satisfaction except in Antananarivo and Dakar, where the link is not significant. Having a union in the firm is not associated with higher job satisfaction; the link is actually negative in Dakar, where workers are more inclined to express dissatisfaction in firms with a union. An endogeneity effect is probably at work here (the union may have been set up in the firm because of poor working conditions).

# Conclusion

Analysis of job satisfaction in eight Sub-Saharan Africa capitals finds significant links between objective job characteristics and the satisfaction individuals express with their jobs. For some job characteristics, these links appear more clearly after controlling for individual aspirations. The effect of aspirations is identified through the influence of individual characteristics and the circumstances in the country.

The results validate the idea that job satisfaction is a suitable indicator of job quality, for three reasons. First, satisfaction provides a gauge of the match between jobs and individual aspirations. Given that a mismatch between expectations and outcomes could create economic and social tensions, this match needs to be measured. Second, after controlling for the effect of aspirations, the correlations between satisfaction and objective job characteristics indicate that individuals take these characteristics into consideration in evaluating their working conditions. Third, labor market conditions (and the characteristics that capture those conditions) vary across countries. Different values can be placed on a given job or status depending on the circumstances in a country. The findings hence reflect the intrinsic quality of a category of employment in the country studied.

The analysis shows that the explanatory power of the factors chosen is limited. The controls used for endogeneity and selection biases are imperfect; the use of panel data or attitudinal questions would be a useful avenue for future research that would allow further exploration of causality, by explicitly controlling for unobservables and psychological factors that shape behaviors and opinions. Closer attention should also be paid to the factors associated with employment history (to take account of upward and downward trajectories), in particular the characteristics of individuals' previous job. Analysis of the impact of national socioeconomic circumstances could be honed by introducing macroeconomic variables (growth, stagnation, or crisis spells) or by building indicators to typify individuals' reference groups and capturing comparison peer effects.

### Notes

- Economists long overlooked job satisfaction—although pioneering work was done by Hamermesh (1977), Freeman (1978), and, more recently, Clark and Oswald (1996)—out of scepticism about drawing economic conclusions from data on feelings and personal perceptions. Their interest in job satisfaction increased when the link was identified between job satisfaction and work performance.
- 2. The other studies related to this topic are ad hoc analyses of specific professions (nurses, surveyors, and teachers, for example).
- 3. The cities are Abidjan, Côte d'Ivoire; Bamako, Mali; Cotonou, Benin; Dakar, Senegal; Lomé, Togo; Niamey, Niger; and Ouagadougou, Burkina Faso, in West Africa and Antananarivo, in Madagascar. Although Abidjan and Cotonou are not administrative capitals, we refer to them as capitals because they are the most important economic centers in their countries (Cotonou is also the seat of government).
- 4. The 1-2-3 surveys have been conducted since 1996 in Antananarivo, where the methodology was strengthened before the surveys were implemented in West Africa in the framework of the PARSTAT program.
- 5. For unemployed and inactive individuals in category 1 (find a first job), satisfaction concerns their situation on the labor market (rather than job satisfaction). These categories are not included in the econometric analyses on job satisfaction, which examine only the employed labor force.
- 6. We refer here in particular to the figures provided by Sousa-Poza and Sousa-Poza (2000). The satisfaction rate in their study includes everyone who indicated being more or less satisfied.
- 7. Other variables (steady work, full-time work, fixed wage) take into account some of the advantages of being a wage-earner.
- 8. In 2002, Madagascar had just emerged from a major political crisis whose positive outcome raised high hopes. Benin is one of the rare African countries to have seen real democratic progress (with changeovers of political power made possible by transparent elections) following a long period of instability and dictatorship until the late 1990s. The hope inspired by the directions these two

countries have taken may have had a psychological effect on job satisfaction. The less stable sociopolitical situation in Côte d'Ivoire and Senegal at the time of the survey probably had a negative impact on individuals' perceptions of working conditions.

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# AFRICA DEVELOPMENT FORUM



# Urban Labor Markets in Sub-Saharan Africa

Philippe De Vreyer and François Roubaud, Editors





Institut de recherche pour le développement

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