

# Guide on Measuring Decent Jobs for Youth

Monitoring, evaluation and learning in labour market programmes



Note

# 1

## Diagnosing, planning and designing youth employment interventions





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# Diagnosing, planning and designing youth employment interventions



## Prerequisites:

This note requires no prior knowledge. It guides readers through the processes and tools required to diagnose the state of labour markets and design an intervention focused on youth employment needs.



## Learning objectives:

At the end of this note, readers will:

- ▶ understand the key steps for planning and designing a youth employment programme, from diagnosing needs, through setting objectives, to selecting interventions.
- ▶ be able to deploy appropriate labour market assessment approaches to identify supply and demand constraints facing youth in the labour market, including school-to-work transition surveys, value chain analysis and enabling environment for sustainable enterprises.
- ▶ know how to use the current evidence base to link the youth employment situation to the appropriate intervention type.



## Keywords:

Labour market analysis, employment diagnostics, participatory design, youth unemployment, youth underemployment, working poor, informality, vulnerable employment, labour demand, Sustainable Development Goals, Decent Work Country Programmes, skills training, public employment programmes, employment services, entrepreneurship promotion.

Youth employment practitioners are required to make difficult decisions about how to spend limited resources to assist young people in their transition into the world of work. In order to find appropriate solutions, it is important to understand the specific context and constraints that are affecting young people. Before crafting a monitoring and evaluation system, we should make sure that our intervention itself is carefully planned:

- ▶ Do we have good knowledge about the needs of the people we are trying to support?
- ▶ Do we understand why certain conditions, such as youth unemployment, exist?
- ▶ Do we have a clear objective of what we want to achieve?
- ▶ Are we building on existing experience and evidence when designing our intervention to fulfil this objective?

The decision to formulate new strategies to support young jobseekers implies that there is a discrepancy between the status quo and what could be or should be. The gap between existing conditions and the desired condition is commonly referred to as the need. We must understand the need before designing an intervention.

## Diagnosics: Understanding the labour market constraints faced by young people

### ASSESSING THE LOCAL LABOUR MARKET

In order to systematically assess both the need and the economic and social environment in which youth are transitioning into employment, the labour market should be analysed. This includes diagnosing the employment situation, based on the overall state of the economy, as well as a set of contextual factors, such as demographics, educational systems, the human resource base, the regulatory framework and social norms. In this context, the International Labour Organization and the German development agency,

GIZ, provide two labour market analysis tools that can help guide youth employment practitioners in developing a labour market assessment: the Employment Diagnostic Tool (EDA) (ILO, 2012a) and the Employment and Labour Market Analysis (ELMA) (GIZ, 2014).

The focal point of an employment assessment is the labour market, where both labour demand and labour supply should be carefully scrutinized. Assessment can be used to identify the needs of youth, which will inform



the decisions on the appropriate intervention types and target groups.

At the outset, it is important to understand that the functioning of the labour market is heavily influenced by wider economic factors, including institutions and macroeconomic conditions. Importantly, the opportunities for and returns to productive employment depend to a large extent on the ability of the economy to generate employment opportunities. However, the efficiency with which economic growth translates into productive employment can vary widely and economic growth can be either more or less job-rich, with consequent negative or positive effects on young people.

#### TIP



International institutions like the ILO have the capacity to undertake detailed and comprehensive assessments before launching nationwide interventions. For smaller entities, non-governmental organizations and independent research teams, or for smaller teams within international organizations, such an assessment can present challenges in terms of time and financial costs. For such organizations, full labour market diagnostics are not recommended. Instead, they can utilize the data provided by existing analyses carried out by research institutions or international organizations, including national labour market studies and youth reports.

### Box 1.1: Examples of youth-focused employment diagnostics

#### **Somalia: Youth employment and livelihood survey on skills and market opportunities**

“Youth Employment and Livelihood Survey on Skills and Market Opportunities” is a report prepared by ILO and UNICEF to support the sustainable economic reintegration of children associated with armed forces and armed groups (CAAFAG) in South Central Somalia. The purpose of the study is to provide information to youth on promising opportunities for starting businesses and obtaining jobs in Mogadishu, and advise them on the skills needed to do so (Forcier et al, 2013).

#### **Selecting the road to more and better jobs: Sector selection report of the Road to Jobs project in Northern Afghanistan**

Road to Jobs (R2J) is a three-year ILO project that aims to create more and better jobs in the provinces of Samangan and Balkh in Northern Afghanistan. The project follows a market systems approach to address underlying constraints inhibiting better growth and employment outcomes, which in turn contribute to improving livelihoods and poverty reduction. The report documents the sector selection process the project team implemented during the project design phase. The selection process involved three main elements: (1) Participatory Appraisal of Competitive Advantage (PACA®) (2) Rapid Market Assessments (RMA) and (3) internal assessment of the findings (ILOa, 2015).

#### **Bangladesh: Looking Beyond Garments, Employment Diagnostic Study**

This Employment Diagnostic Study, a collaboration between ILO and the Asian Development Bank, highlights key labour market trends and challenges in Bangladesh, analyzes in depth the major issues relating to employment, and makes recommendations for government and stakeholder consideration. The study team undertook a series of consultations with key stakeholders, including government, employers’ and workers’ organizations, leading academicians, and development partners on the study framework, approach, and findings. Through the consultations a number of key employment challenges were identified and later became the thematic areas the study covered, including (i) diversification of the economy, (ii) skills development, (iii) women at work, and (iv) overseas employment (ILO, ADB, 2015).

## STAKEHOLDER CONSULTATION

One important element during the diagnostic phase, regardless of the depth of analysis, is wide consultation with stakeholder groups. A central component of this process should be social dialogue, consulting with trade unions and employers' organizations involved in the policy process. The breadth of these consultations and the fact that employers' and workers' organizations together represent the interests of a sizeable fraction of the population can generate sustainable and readily accepted policies and interventions. The inclusion of civil society actors can also further their legitimacy and effectiveness.

Listening to the youth voice is essential. It is important to bear in mind that the views

provided by those organizations described above – particularly employers' and workers' organizations – reflect the perspectives of economic actors who are already firmly established in the economy. As prospective entrants, youth are struggling to transition into the economy, to identify new employment opportunities or to establish themselves in quality employment. As such, their interests and needs are not necessarily reflected in the views expressed by older generations, who are often represented by such organizations. Engaging youth perspectives is an important factor in ensuring that programmes are aligned with the needs and expectations of young people.

## LABOUR MARKET STATUS OF YOUNG PEOPLE

While it is beyond the scope of this note to give comprehensive guidance on how to determine the status of young people in the labour market, it is helpful for youth employment practitioners to understand a few basic concepts. Further guidance on labour market indicators, as a basis for monitoring project outcomes in the results chain, can be found in Note 2.

Youth policy and programmes often focus on youth unemployment. For young people in low- and middle-income countries, the problems of underemployment, vulnerable employment and working poverty present a much greater challenge than unemployment itself. Many young people simply cannot afford not to work and often end up working in low-quality or hazardous forms of employment. Therefore, an assessment of youth employment status should concentrate on dimensions of employment associated with poverty and vulnerability in addition to unemployment.

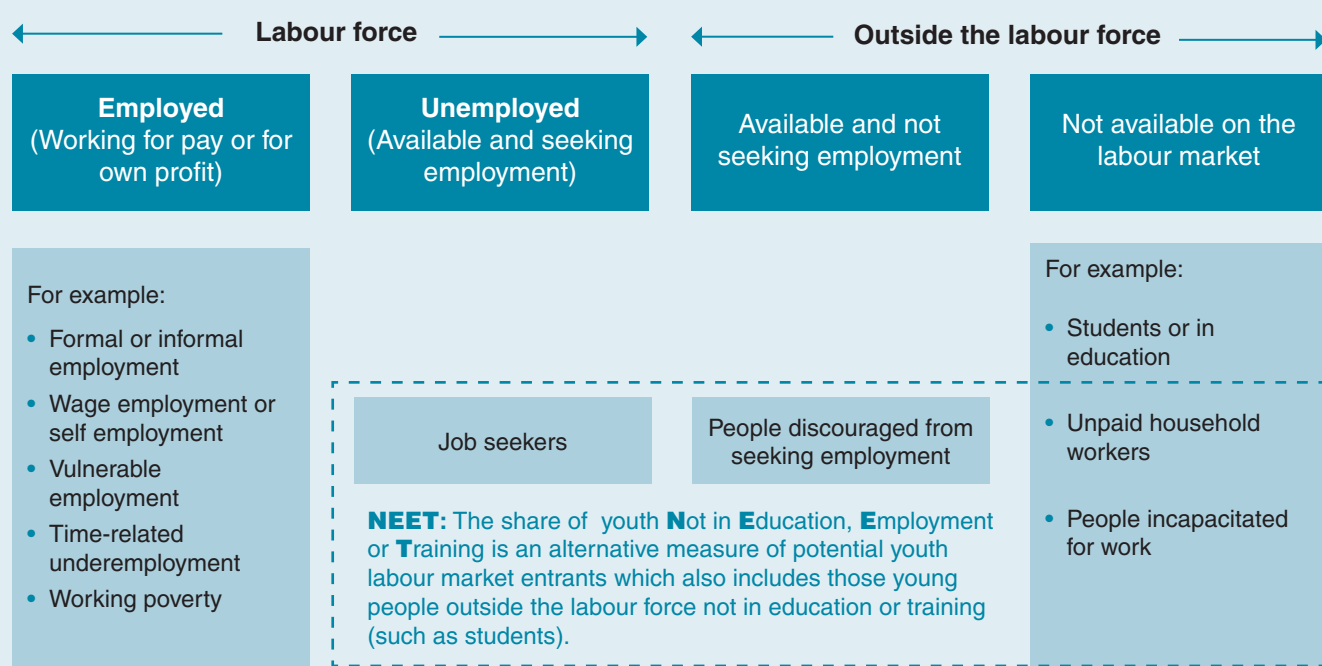
The working-age population of a given country can be categorized according to whether individuals are in or out of the labour force, time use, employment status, job quality and the degree of formality of employment. Underemployment describes non-voluntary, part-time work and informal employment captures, for example, contributing family workers or own-account workers with no formal work arrangements and no access to benefits or social protection programmes. As informal employment relations are sometimes conducted under precarious conditions, strong connections between informal employment and vulnerability exist, with informal workers at greater risk from the effect of economic cycles. Also, vulnerably employed people usually make up a significant proportion of the working poor. These are defined as employed persons, either working for wages, on their own account or as unpaid family helpers, whose income is insufficient to bring them and their dependants over a defined poverty threshold (ILO, 2012a).

Further dimensions of employment problems can be found by looking more closely at the characteristics of people who are out of the labour force. While not being actively engaged in the labour force can be a choice, young people and women often remain outside the labour force because of perceptions that there are no jobs available to them or because they are discouraged in their efforts to secure work. Because their status of inactivity or engaging solely in unpaid work in the home is the result of having given up the search for employment rather than a voluntary decision, this status should be considered as disguised unemployment, even though differentiating

disguised unemployment from voluntary inactivity can be difficult.

The NEET rate (which captures people not in employment, education or training), differentiated by youth and gender, can also highlight needs to be taken into account. It can serve as a narrower proxy of marginalization than labour market inactivity. Moreover, it reflects a status in which potential workers are experiencing skills degradation and erosion. By not being actively engaged in work or preparation for work, these individuals are most at risk of not making the transition to work successfully without targeted support.

**FIGURE 1.1 AN OVERVIEW OF YOUTH LABOUR MARKET INDICATORS**



**Table 1.1: Descriptions of labour market indicators for young people**

Employment	Persons in employment are defined as all those of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit. They comprise employed persons "at work", i.e. who worked in a job for at least one hour; and employed persons "not at work" due to temporary absence from a job, or to working-time arrangements (such as shift work, flexitime and compensatory leave for overtime).
Unemployment	Persons in unemployment are defined as all those of working age who were not in employment, carried out activities to seek employment during a specified recent period and were currently available to take up employment given a job opportunity.
Labour Force	The labour force comprises all persons of working age who furnish the supply of labour for the production of goods and services during a specified time-reference period. It refers to the sum of all persons of working age who are employed and those who are unemployed.
Underemployment	Persons in time-related underemployment are defined as all persons in employment who, during a short reference period, wanted to work additional hours, whose working time in all jobs was less than a specified hours threshold, and who were available to work additional hours given an opportunity for more work.
Vulnerable employment	Vulnerable employment comprises own-account workers and contributing family workers. Workers in these forms of employment are less likely to have formal work arrangements, and are therefore more likely to lack decent working conditions, adequate social security provisions and "voice" through effective representation by trade unions.
Working poverty	The working poor are persons who, in spite of being employed, still live in a household classified as poor (i.e. household that has income or consumption levels below the poverty line).
Informal employment	Informal employment comprises persons who in their main job were: (a) own-account workers, employers or members of producers cooperatives employed in their own informal sector enterprises; (b) own-account workers engaged in the production of goods exclusively for own final use by their household; (c) contributing family workers, irrespective of whether they work in formal or informal sector enterprises; or (d) employees holding informal jobs, whether employed by formal sector enterprises, informal sector enterprises, or as paid domestic workers by households.
NEET	The share of youth not in education, employment or training (NEET rate) conveys the number of young persons not in education, employment or training as a percentage of the total youth population. provides a measure of youth who are outside the educational system, not in training and not in employment, and thus serves as a broader measure of potential youth labour market entrants than youth unemployment, since it also includes young persons outside the labour force not in education or training. This indicator is also a better measure of the current universe of potential youth labour market entrants compared to the youth inactivity rate, as the latter includes those youth who are not in the labour force and are in education, and thus cannot be considered currently available for work.

Source: [www.ilo.org/ilostat/faces/ilostat-home/metadata](http://www.ilo.org/ilostat/faces/ilostat-home/metadata)

In diagnosing the employment situation of young people, using adequate data sources is crucial. Consulting the latest national labour force survey (LFS) is a first step to assessing the youth employment situation. Labour force surveys cover core labour force variables, such as current activity status (employed, unemployed, not economically active), hours of work, wages, etc. Useful indicators based on LFS results can often be found on the websites of national statistics agencies and through the ILO.<sup>1</sup>

However, if the intention is to assess the situation of young people specifically, labour force surveys are often too general. They do not provide substantial information on the transition to work. To address this issue, the ILO has developed a diagnostic survey methodology called the school-to-work transition survey (SWTS, see box 1.2 for details) to collect detailed information on the labour market situation of young people as they leave the education system, their job search and work experience over time, as well as a number of other relevant factors.

<sup>1</sup> See ILOSTAT (available at: <http://www.ilo.org/ilostat>) Microdata sets for many labour force surveys can be found in the online ILO's Microdata Repository (available at: <http://www.ilo.org/surveydata/>).

#### TIP



A simple analytical framework that can be used by practitioners to examine youth employment data could comprise:

- comparison of youth (aged 15–24 or 15–29 depending on the defined age range) indicators against the labour market figures for adults (aged 25–64 or 30–64)
- examination of core labour force variables for different groups of young people: young adults, young men and young women, rural and urban youth, ethnic majorities and minorities, individuals with low and high educational attainment
- assessment of performance of youth employment indicators over time and benchmarking of youth indicators against those of neighbouring countries and/or regional and world aggregates
- determination of productive employment of youth: counting young people in both unemployment and working poverty relative to the employed gives an estimate of the extent of the productive employment deficit, where both underemployment and low wages can be sources of working poverty.

### Box 1.2: School-to-work transition surveys

The SWTS is a survey instrument that generates relevant labour market information on young people aged 15 to 29 years old, including longitudinal information on transitions within the labour market. The SWTS allows for an exploration of the increasingly indirect paths to decent and productive employment that today's young men and women are facing.

The decisive advantage of the SWTS data is that it applies a stricter definition of “stable employment” than is typically used in the genre. By starting from the premise that a person has not “transited” until settled in a job that meets basic criteria of “decency” – namely a position that provides the worker with a sense of security (e.g. a permanent contract) or a job with which the worker feels personally satisfied – the ILO is introducing a new qualitative element to the standard definition of labour market transition.

In the context of diagnosing barriers to youth employment, this qualitative factor is particularly helpful because it overcomes the binary distinction between unemployment and employment. Decent work deficits can be identified, so that interventions can be designed to address these problems directly.

Between 2012 and 2016, the SWTS was deployed in more than 30 countries. A full list of the countries covered and access to the microdata files can be found online at: <http://www.ilo.org/w4y>

## LABOUR DEMAND AND SUPPLY

Labour demand and labour supply each play a role in creating deficits to productive employment for youth. Both aspects should be analysed in order to identify the main constraints to youth employment.

### Labour demand

To assess the level of demand for youth labour, the two sources to consider are: the private sector, including self-employment, as well as the public sector.

**Private sector and self-employment:** Elements to consider in assessing labour demand in the private sector include business and labour regulations, capital and access to finance, the state of infrastructure, including information technology (IT) as well as other features of the enabling environment for sustainable enterprise (see box 1.3). It is also important to understand investment policy, which

#### TIP



For a detailed analysis of the labour market, the ILO guide *Understanding deficits of productive employment and setting targets* (ILO, 2012b) offers step-by-step guidance on calculating past and present deficits in productive employment.

presents opportunities for business expansion through export opportunities and tax incentives. When looking at small and medium-sized enterprises (SMEs) as a source of employment, the availability of affordable finance requires careful analysis. Although capital may be available for larger businesses, the lending terms governing collaterals and other securities can be challenging for smaller enterprises, limiting their growth prospects and therefore their ability to generate new jobs. The relative size of

### Box 1.3: Enabling environment for sustainable enterprises (ESEE)

The ILO's ESEE tool aims to provide an enabling environment for sustainable enterprises, including an assessment of bureaucratic red tape and the procedural difficulties associated with enterprise formalization. Getting the enabling environment right is of key importance as there is limited value in promoting enterprise development for the creation of more and better jobs in an environment that is hostile to firm start-ups. This is especially relevant for SMEs, which are hit harder by the costs associated with burdensome procedures and regulations than larger enterprises, which are better placed to absorb these costs. To stimulate SME development and, in turn, job creation, it is essential to level the playing field between SMEs and larger firms.

ESEE is a comprehensive methodology developed to assess, advocate and reform the environment in which enterprises start up and grow. ESEE:

- (1) allows stakeholders to identify the major constraints hampering business development
- (2) fosters dialogue between workers, employers and government to reach shared policy recommendations
- (3) supports the adoption of effective reforms
- (4) unlocks entrepreneurial potential and boosts investments to generate overall economic growth, create better jobs and reduce poverty.

For more information see [www.ilo.org/eese](http://www.ilo.org/eese).

the formal and informal sectors must also be taken into account, which growth sectors or industries and geographic areas have the most potential to boost demand for labour, industry trends and projections and the number of jobs expected to be created in each area.

**Public sector:** The public sector differs from the private sector in terms of wage levels and wage compression, employment protection, social security and unionization. Wages in the public sector tend to be lower, and the spread of wages usually narrower than in the private sector (meaning that workers have fewer chances to increase their income over time). However, public sector jobs often provide high levels of non-wage benefits, including more attractive social security plans and greater employment security. Pay schemes and wage structures are also more transparent and predictable within the public sector. These factors combine to make the public sector potentially more attractive than private sector work, despite lower wage levels.



#### TIP

**Establishment surveys:** Data from establishment surveys (also known as firm surveys) are more appropriate for the analysis of the demand side of labour than data from labour force surveys. These surveys focus on the characteristics and operations of businesses. Specific information in establishment surveys includes, for instance, data on production, exports and imports, labour costs, employment and average earnings (by occupation and skill level), vacancies, hiring and firing practices and future employment prospects.

Depending on local context, public sector employment can have different impacts on employment outcomes for youth. On the one hand, benefits offered in the public sector might lead to higher job quality overall, from decent working times to occupational safety, as private employers have to compete for qualified workers.

### Box 1.4: Diagnosing youth employment using a value chain approach

To foster the creation of decent jobs, it is important to acknowledge that labour markets are not uniform across all sectors. Growth and investment patterns across industries offer different opportunities for young people to gain productive employment. The ILO guide *Value chain development for decent work (2015)* provides an overview of criteria for selecting the sectors with the greatest potential for decent job creation, and a framework for analysing sectoral constraints to inclusive growth.

Before designing an intervention it is crucial to identify the sector(s) in which the greatest impact can be achieved. Three criteria can be used:

- (1) potential relevance of the sector to youth target groups
- (2) relative importance of the sector to help youth “step up” (improve their productivity or job quality), “step in” (access new jobs or enter new markets) or “hang in” (maintain their existing livelihood and income streams)
- (3) feasibility of stimulating change, given the time and resources available to the intervention, and the level of ambition.

A value chain analysis can help to identify specific underperforming “functions” (supporting services, such as access to information, technology or finance) and “rules of the game” (regulations, laws and informal norms). Interventions can then be designed to help overcome the public and private market failures and improve employment outcomes for youth.

Further information on the approach can be found in [Nutz and Sievers \(2015\)](#).

On the other hand, public sector employment can result in the private sector being crowded out of the labour market, thus preventing economic expansion. The lure of secure public sector work also plays a role in signalling the skills in which youth should invest: where the attraction is too strong, youth may make educational investments that aim to secure public sector jobs rather than acquiring the skills sought by private employers.

## Labour supply

Labour supply can be defined as the attributes that determine young people's employability – education, skills, health, cognitive abilities, etc. – and their ability to access productive employment. An analysis of labour supply should examine the three aspects of skills, geographical distribution and the social context of youth livelihoods.

**Skills:** It is essential to consider the distribution of education and skill levels in the total

population and the labour force, as well as making relative comparisons between young people and adults. A baseline assessment can include the share of the population that has completed primary, secondary and tertiary education, disaggregated by age and gender. In applying educational data to population or labour force categories, it is vital to consider both rates and distributions. For example, unemployment rates might be highest among university graduates, but the majority of the unemployed might be secondary graduates if this population is significantly higher than the population of university graduates. An important aspect of this analysis can be enrolment versus completion rates in education, as these two rates can differ sharply depending on drop-out rates. Also, the level of public expenditure and the calibre of teaching personnel can provide insights into the quality of education.

In many countries, technical and vocational education and training (TVET) systems are an important alternative to secondary and tertiary

### Box 1.5: Top websites for business and macroeconomic data



**The Atlas of Economic Complexity:** A powerful interactive tool that enables users to visualize a country's total trade, track how these dynamics change over time, and explore growth opportunities for more than 100 countries.



**IMF data:** A key source of information on major economic indicators for every country in the world. The site includes data on debt and capital flows, as well as qualitative information about the key political and economic developments.



**World Bank Doing Business database:** An easy-to-use source of information on a broad range of business environment indicators, as well as excellent comparable data on the actual costs of trade. The site includes tools that allow users to evaluate how changes in particular regulations could improve the overall business environment.



**World Bank's World Development Indicators (WDI):** The World Bank's central database, the WDI includes hundreds of indicators, from the number of mobile phones per 1,000 people to the number of children out of school. The WDI provides socio-economic data from a range of national and international sources reported both at the national level and as regional and international aggregates.



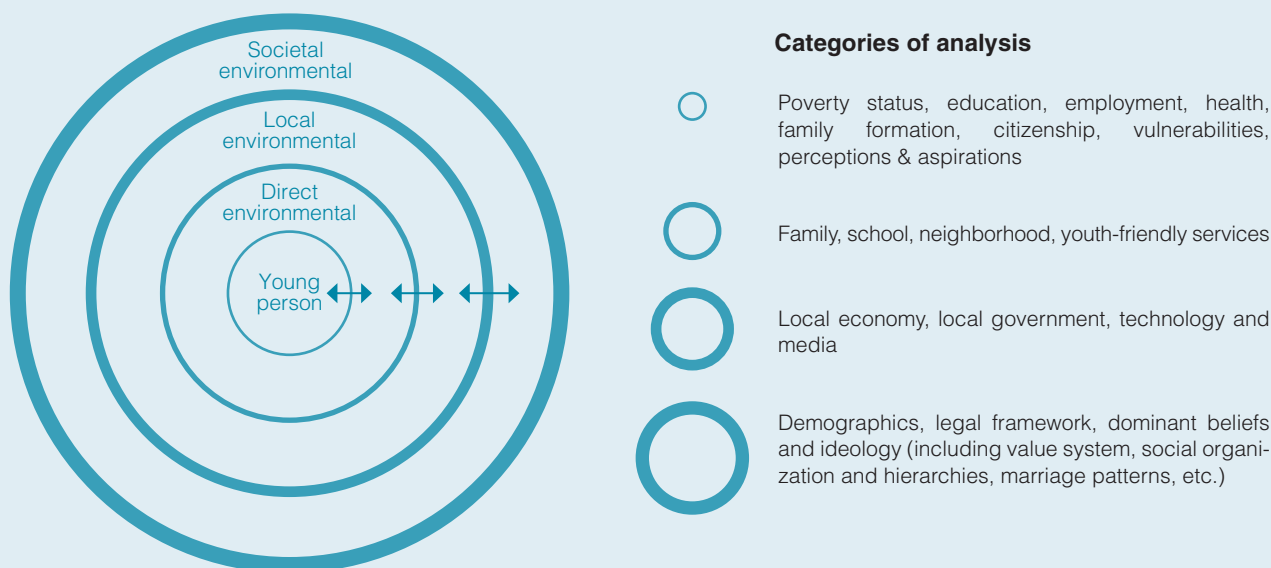
education and therefore the quality and prevalence of TVET should be assessed. TVET systems require special attention due to the different organizational forms that they can take across countries. While formalized and school-based in some countries, TVET education can be almost indistinguishable from a normal work situation in others (i.e., apprenticeships and internships). Considering this aspect is crucial in determining how TVET systems affect the skill level of the population and therefore the structure of the country's labour supply.

If the skill sets of potential workers do not match the economic structure and demand for labour, unemployment in some sectors can run parallel to a large number of vacancies in other sectors. This qualification-driven gap between labour supply and demand is addressed primarily through educational and institutional reforms, which ensure that labour market signals of skills demand within the private sector reach students, teachers, education policy-makers and parents. As in the case of public sector employment, detailed above,

existing institutional norms can fundamentally affect this balance, leading to skewed outcomes in terms of skills alignment.

**Geographical distribution:** If work is available mainly in the urban centres of a country but excess labour supply is still confined to rural areas, unemployment and vacancies, even on the same skill level, can coexist. Often, such imbalances create incentives for internal migration. Although migration can help to address the geographical mismatch of labour demand and labour supply, it can also create challenges and vulnerabilities. This is especially true for young people, who make up the majority of economic migrants. Although youth face fewer obstacles to migrating than established adults, migration does come at a cost. Without effective safety nets and family support, relocating to the city can be a disruptive move for young people, and one that does not always guarantee access to employment opportunities or a brighter economic future.

**FIGURE 1.2: YOUTH ENVIRONMENTS**



Source: Hempel and Fiala (2011).

**The social context of youth livelihoods:**

The potential social dislocation of migrating youth underlines the importance of including the broader social context within a comprehensive assessment of the labour market. Since young people's labour market transitions are influenced by a wide range of factors, including family, peers, community, local and national institutions and social norms, an effective employment assessment should also analyse the direct, local and societal environments in which young people live (see Bronfenbrenner, 1979). This includes issues such as health (physical and mental), family formation and citizenship, as well as issues that are of particular importance to sub-groups within the youth demographic (persons with disabilities, young women, marginalized communities, etc.). A holistic assessment will provide a rich picture of the needs and challenges that youth are facing and will therefore allow interventions to be adapted to fit local realities more precisely (see figure 1.2).

**TIP****Assessing the potential for creation of decent work**

An assessment of the needs of young people and the barriers facing them should not only determine whether they have access to employment but also whether the employment obtained constitutes decent work. Decent work is defined as “productive work for women and men in conditions of freedom, equity, security and human dignity” (ILO, 1999). Decent work is a concept with multiple dimensions, the indicators used to measure it will be discussed in more detail in Note 2.

**Box 1.6: Websites for labour supply data**

**ILOSTAT:** Labour market information database managed by the ILO.



**UNESCO Global Education Digest:** A detailed source of internationally comparable data on education, science, culture and communication.



**UNDP Human Development Index:** This index brings together gross national income (GNI) per capita, life expectancy and high-level education indicators into a useful tool for international comparisons.



**World Bank STEP Skills Measurement Program:** This is the first initiative to measure skills in low- and middle-income countries (<http://microdata.worldbank.org/index.php/catalog/step/>).



**Programme for the International Assessment of Adult Competencies (PIAAC):** This instrument measures adults' proficiency in key information-processing skills: literacy, numeracy and problem solving.



**Education GPS:** Internationally comparable data and analysis on education policies and practices, opportunities and outcomes including the Programme for International Student Assessment (PISA).

In looking at young people's broader environment, it may become apparent that the issue of limited job opportunities is only one among many challenges that young people in a specific location are facing, which may suggest ways to build or adapt our intervention so that it can address more than one issue. This approach can help to assess whether there are, for example, legal or social barriers facing particular groups of youth, based on ethnicity, gender or sexual orientation, excluding them from (segments of) the labour market.

Equally importantly, the assessment will help us to specify our target group and ensure that our approach is more closely aligned with this targeting. Are we interested in all youth, or only those who are out of school? What age range do we want to focus on? Are there gender or ethnic considerations we would like to prioritize? Which geographic areas will we target? Given our resource constraints, we are rarely able to serve every young person.

### Box 1.7: Market assessment for decent jobs in Afghanistan

Road to Jobs (R2J) is a three-year project that aims to create more and better jobs in the provinces Samangan and Balkh in Northern Afghanistan. The project follows a market systems approach to address important underlying constraints that are inhibiting better growth and employment outcomes, which would otherwise contribute to improving livelihoods and poverty reduction.

R2J positioned itself for sustainable jobs impact by conducting a thorough sector selection process. This was to target those sectors that are labour intensive and have a high reliance on wage labour inputs. A set of six rapid market assessments (RMAs) were conducted to give programme developers a "first look" at high-potential markets to determine their likely relevance to the target groups and capacity for positive employment change.

The RMAs scored and ranked potential sectors based on standardized sector selection criteria:

- (a) Relevance to target groups
  - Criterion 1: Number of target group members active in the sector
  - Criterion 2: Nature of the target group's participation in the sector
  - Criterion 3: Decent work deficits faced by target groups in the sector
- (b) Opportunity for growth
  - Criterion 4: Likelihood of sector growth
  - Criterion 5: Scope for improving target group employment in the sector
- (c) Feasibility of stimulating market system change
  - Criterion 6: Capacity of market actors
  - Criterion 7: Willingness of market actors to change
  - Criterion 8: Likelihood of distortion

Based on this analysis, R2J selected an initial set of three sectors in which to concentrate programmatic efforts: cotton, poultry and grapes and raisins.

The full set of tips, tricks and tools for value chain selection – drawing on the R2J experience – can be found at: [http://www.ilo.org/empent/Projects/the-lab/WCMS\\_563289/lang--en/index.htm](http://www.ilo.org/empent/Projects/the-lab/WCMS_563289/lang--en/index.htm)

## Objectives and design: What do we want to achieve and how can we best achieve it?

Once the barriers facing young people and the opportunities for creating decent work have been identified, we can begin to formulate **programme objectives** and select possible strategies. Clearly defining what we want to

achieve will help us identify the desired results of our programme, communicate with donors and stakeholders, manage the interventions and monitor and evaluate our work.

### STRATEGIC AND INSTITUTIONAL FRAMEWORK

In all project formulation processes, the high-level strategic and institutional framework has to be considered. By strategic and institutional framework, we mean an organization's position in relation to global, national and local strategies concerning youth employment. There are three main development frameworks that must be considered when formulating youth employment interventions: Sustainable Development Goals, development cooperation frameworks and ILO Decent Work Country Programmes.

#### **Sustainable Development Goals (SDGs):**

The SDGs set out objectives for development community actors to achieve collectively by 2030. The 2030 Agenda for Sustainable Development has people and the planet as its primary focus and gives the international community the impetus it needs to work together to tackle the formidable challenges

confronting humanity, including the decent work deficits experienced by many young people.

The 2030 Agenda places decent work for all at the heart of policies for sustainable and inclusive growth and development. Goal 8, “Decent work and economic growth,” calls for sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, and sets as Target 8.6, “By 2020, substantially reduce the proportion of youth not in employment, education or training”.

Approaches to address these decent work deficits in youth employment include:

- ▶ developing strategies to promote youth employment that balance an integrated strategy for growth and job creation with

#### DEFINITION

The **programme objective** represents what an intervention seeks to accomplish. The more concrete the objective in terms of target population, magnitude and timing of the expected changes, the easier it will be to track progress and carry out an evaluation.

targeted interventions, such as job-search assistance or measures to support young entrepreneurs

- ▶ addressing skills mismatch by ensuring that training programmes meet labour market needs and by introducing work experience components in technical and vocational education and training (TVET)
- ▶ investing in innovative forms of social protection to improve income security for workers in vulnerable employment.

The 2030 Agenda has mobilized a range of actors at the global, national and local level to work collaboratively to achieve Goal 8. A multi-stakeholder partnership – the Global Initiative on Decent Jobs for Youth – has also been initiated as a United Nations system-wide response to the youth employment challenge (see box 1.8).

#### **Development cooperation frameworks:**

Youth employment strategies should also be anchored in national development strategies and national and international cooperation frameworks, such as the Poverty Reduction Strategy and the United Nations Development Assistance Framework (UNDAF). Recent UNDAF guidance places special emphasis on an integrated approach to programming that brings together the development,

humanitarian, human rights and peace and security pillars of the UN, building on a common strategy of effective and coherent implementation support for the 2030 Agenda. This is known under the acronym MAPS (Mainstreaming, Acceleration and Policy Support). MAPS frame the UN's engagement with national counterparts on the SDGs, including the support process for national SDG planning. Bearing these strategies in mind when planning an intervention will allow synergies to be leveraged.

#### **ILO Decent Work Country Programmes:**

Another crucial element of the institutional framework for young people's employment are the Decent Work Country Programmes (DWCPs). They constitute the primary framework for ILO support to constituents, including governments and employers' and workers' organizations, at the country level. This country programming mechanism, based on results-based programming, a solid diagnostic of the national labour market and close consultation with country stakeholders, needs to be taken into account when formulating youth employment strategies and interventions, and aligning them with the activities undertaken by other members of the development community.

## Box 1.8: Global Initiative on Decent Jobs for Youth



In October 2014, the UN High-level Committee on Programmes selected youth employment as a prototype for an issue-based initiative that would mobilize the capacity of the UN and other global actors committed to more and better jobs for youth. Positive collaboration of numerous UN entities led to the development of the Global Initiative on Decent Jobs for Youth, which was endorsed by the UN system Chief Executives Board for Coordination and subsequently launched by the ILO in February 2016.

The Global Initiative is the overarching and inclusive platform for the promotion of youth employment within the 2030 Agenda for Sustainable Development, as well as the implementing arm for youth employment action within the new UN Strategy on Youth developed by the Inter-Agency Network on Youth Development.

The initiative is framed by four interconnected strategic elements:

- **Alliance** – A strategic and inclusive multi-stakeholder alliance carries out advocacy, ensures policy convergence, stimulates innovative thinking and mobilizes resources for more and better investments in youth employment. It comprises government agencies, social partners, the UN system and other multilateral organizations, the private sector, parliamentarians, youth and civil society, foundations, academia and the media.
- **Action** – The Global Initiative scales up evidence-based action at regional and country levels, ensuring ownership and coherence with national development priorities. With the commitment of governments, social partners, regional institutions and the support of UN Country Teams, the Global Initiative engages a diverse set of national and local partners on a range of themes that include: digital skills, quality apprenticeships, green jobs for youth, young people's transition to the formal economy, youth in the rural economy, youth in fragile situations, youth entrepreneurship and self-employment, and youth aged 15–17 in hazardous occupations.
- **Knowledge** – A global knowledge facility will capture, analyse and widely share best practices and innovation, enhance capacity development and facilitate peer learning on what works to improve labour market outcomes for both young women and men.
- **Resources** – The Global Initiative advocates for high-level commitment of local and international actors to increase resources through present and future funding facilities to enable scaling-up activities in support of decent jobs for both young women and men in the most inclusive and transparent manner.

Note: More information about the Global Initiative on Decent Jobs for Youth is available at [www.ilo.org/decentjobsforyouth](http://www.ilo.org/decentjobsforyouth) or <https://www.decentjobsforyouth.org/>

## SETTING THE HIGHER-LEVEL GOAL

The higher-level goal (also known as a development objective) of a youth employment intervention is expressed as the result we want to achieve. It describes the ultimate objective to which the intervention aims to contribute. The goal captures two concepts: (i) the impact on end-beneficiary youth as a result of the intervention or the type of services they are able to offer following the programme, and (ii) the intervention's contribution to the higher-level development context. The latter is determined by policies at national or regional level and by the strategies of the implementing agencies. For instance, a typical higher-level goal for

youth employment projects implemented by the ILO is “more decent and productive work for all young people”.

A common mistake when defining a goal is to focus on what we will do, instead of what we intend to achieve (see point 1 in figure 1.3). If the ultimate reason for our intervention is to improve the living conditions of young people, then that should be reflected in our higher-level goal. The way we achieve this – for example by providing psychosocial support, training, seed capital or other services – is the “how to” and not the actual objective.

FIGURE 1.3: HOW TO DEVELOP HIGHER-LEVEL GOALS

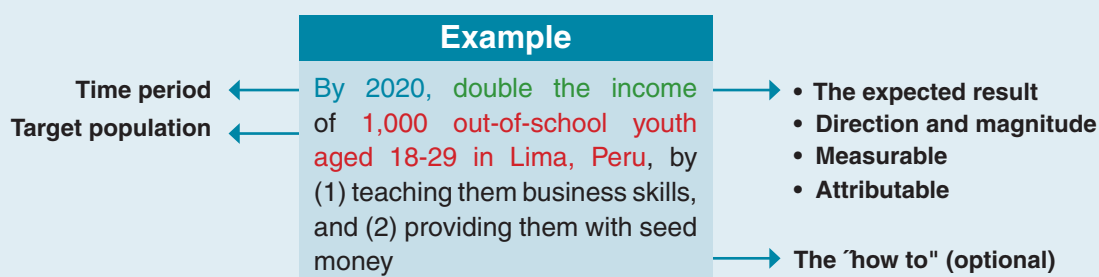


Based on the specific problems and constraints identified:

1. Specify the expected result – what we expect to achieve, not what we want to do.
2. Specify the *target population*.
3. Specify the *direction* and *magnitude* of the expected changes.
4. Specify the time period in which expected changes will occur.
5. Make sure the objective is *measurable*.
6. Make sure the objective can be attributable to the intervention.

### Examples of higher-level goals in youth employment

- “By 2019, contribute to the promotion of more and better jobs for 1,000 young people between the ages of 18–29 in Serbia.”
- “To support national efforts to integrate policy priorities on youth employment and migration into national development and employment strategies in Albania by 2020’.”
- “To contribute to the easing of school-to-work transitions for 20,000 Bosnian and Herzegovinian young people.”



## EFFECTIVE PARTICIPATION IN OBJECTIVE SETTING<sup>2</sup>

Programme design should be participatory in nature, as this approach creates local ownership for the initiative and at the same time enhances cooperation between different market actors.

Inputs into objective-setting can be generated using a number of research methods:

- ▶ interviews and consultations with market players, such as lead firms, government authorities, service providers, etc., but also selected smaller-scale market players whose position we are particularly interested in
- ▶ focus group discussions with groups of market players, which are easier to organize (e.g. small producers, SMEs or local service providers)
- ▶ observations of business practices and transactions (e.g. workplace conditions, labour productivity, etc.).

Once a programme has a draft objective in mind, a validation workshop can be organized, where stakeholders and end-beneficiaries can check whether the supply–demand balance is correct, and provide feedback on the programme scope. When planning and facilitating the workshop, it is important to create an environment in which participants feel comfortable identifying and articulating their concerns. However, a stakeholders’ workshop may not always be the most appropriate

option. Although the participatory approach increases ownership of the findings, there is the risk that increasing participation can result in a loss of analytical depth and/or a “dumbing down” of objectives.

A stakeholders’ workshop is not recommended when there is a risk that:

- ▶ actors do not possess the necessary knowledge and/or understanding of the market
- ▶ participants may become biased when tracing causality towards constraints in areas for which they are responsible, because they think that by adopting this approach will gain them project resources
- ▶ there is a highly charged political context
- ▶ discussions may focus on constraints that are beyond the scope of the project, which could either raise expectations that cannot be met, or create frustration among participants that their time has been wasted
- ▶ market actors regard youth employment, working conditions and gender equality as low-priority issues, so may not prioritize alleviating constraints that could lead to improvements in these areas
- ▶ market actors from some groups are not present, so those attending may not represent the interests of other groups in the market system.

## SETTING OUTCOMES

The outcome (or immediate objective) describes the specific changes that a youth employment intervention is expected to bring about, by the end of its implementation period, to the quality and quantity of the services provided, and/or the way in which they are

delivered to the direct beneficiaries. It must be described in terms of a target to be achieved (result) rather than actions to be taken. The outcome is related to the problems identified during the labour market diagnostic phase and their cause–effect relationship. The problem analysis is mirrored in the objectives (i.e. the problem identified, which is the combined effect of a number of causes, is reversed and

<sup>2</sup> Adapted from *Value chain development for decent work* (ILO, 2015).



becomes the target to be achieved). For example, if the problem is a high share of youth in the informal economy, the outcome of the project becomes “Informality among young

workers reduced”. If the problem is lack of demand for youth labour, the outcome becomes “Labour demand for young workers increased”, and so on.

## CHOOSING THE YOUTH POPULATION

When designing an intervention, we need to recognize that “one-size does not fit all”. Youth are different along age, gender, socio-economic status, location, skills, status (i.e. refugees), religious lines, among others. Some youth face distinct or more acute labour market disadvantages, such as disabled youth, that exacerbate their challenges of finding good quality jobs.

For example, by simply assessing youths’ skills levels, one can determine the characteristics and the extent to which youth are excluded from the labor market (see table 1.2). It is therefore critical to tailor the youth employment interventions to address the specific labor market challenges faced by different types of youth.

**Table 1.2: Basic typology of youth skills level**

Level of skill	Unskilled	Semi-skilled	Highly-skilled
Charateristics	<ul style="list-style-type: none"> <li>• Temporary, informal and vulnerable jobs</li> <li>• Casual, low-productivity jobs</li> <li>• Minimal training, working in precarious conditions (domestic servants, gardeners, etc.)</li> <li>• Non-remunerated employment</li> <li>• Urban and peri-urban areas</li> </ul>	<ul style="list-style-type: none"> <li>• Semi-educated/skilled youth (high school drop-outs)</li> <li>• Laid-off workers</li> <li>• Actively searching for stable or self employment</li> <li>• Urban areas</li> </ul>	<ul style="list-style-type: none"> <li>• Enrolled in or graduated tertiary education, actively searching for full time employment or entrepreneurship</li> <li>• Urban areas</li> </ul>
	<p><b>NEET</b></p> <ul style="list-style-type: none"> <li>• NEET: Not in education, employment or training</li> <li>• Marginalized from society</li> <li>• Youth excluded from school system</li> </ul>		

## DEFINING THE INTERVENTION

With a clear goal in mind, we can define the scope of an intervention (or set of multiple interventions, also known as a programme) that will result in achieving the stated objectives. Naturally, the choice of intervention should be driven by the specific barriers identified in the previous section; that is, we should choose an intervention that explicitly addresses the underlying causes hindering young people's abilities and opportunities to make a decent living for themselves and their families.

This guide focuses on interventions that promote youth employment and aim to improve access of young people to decent work. Therefore, guidance provided is targeted to active labour market programmes (ALMPs). ALMPs are interventions aimed at the employment of vulnerable groups in society. ALMPs tackle both supply-side and demand-side issues and can therefore offer solutions for the range of barriers to youth employment. We emphasize that good ALMPs are characterized as those that encourage and allow for social dialogue; collective bargaining mechanisms should be embedded within the programmes and should not be compromised by incentives provided by ALMPs (ILO, 2003, pp. 3–5).

Generally, ALMPs can be categorized into four types of programmes: skills training, entrepreneurship promotion, public employment programmes and employment services.

**Skills training:** Depending on the type of skill constraints faced by youth, four different types of skills trainings can be conducted: basic literacy and numeracy, trade- or job-specific skills, soft and life skills and business training (Kluve et al., 2017, p. 30). In general, this training does not aim to replace formal education but to fill knowledge and attitudinal gaps that prevent youth from transitioning from education to work. According to the

### TIP



*Intervention models and performance indicators of the ILO Small Enterprises Unit* by Fiala and Pilgrim (2013) discusses possible types of entrepreneurship interventions with examples taken from ILO projects to illustrate each. This guidance focuses primarily on subsistence entrepreneurship interventions.

Youth Employment Inventory (YEI), this is the most common form of youth-focused ALMP.

**Entrepreneurship promotion:** These types of programmes have the twofold objective of generating work for the self-employed or business owners and creating further employment through job creation within the new businesses. There is a set of building blocks that are frequently used in entrepreneurship interventions: the first element is access to capital, which can be addressed by the provision of grants and loans either to individuals or through savings cooperatives. Second, business and management training often accompanies the financial part of the programme. Finally, mentoring and coaching for young entrepreneurs who have already set up their business help them to navigate challenges in the business world (Kluve et al., 2017, p. 35). Depending on the scope and scale of the programme, organizations should consider deeper, more sustained approaches to incubating start-ups and aiding new firms to leverage initial access to capital through efforts to secure outside investment – important factors in helping start-ups to become growth-oriented small businesses.

When discussing entrepreneurship programmes, it is important to distinguish between choice and necessity entrepreneurship. Those who are forced to become

self-employed because there are no other employment options available are also called subsistence entrepreneurs. Growth entrepreneurship, on the other hand, can have a more far-reaching employment and income effect and can boost innovation and competition in the private sector.

**Public employment programmes:** Public employment programmes can include public works programmes and government wage subsidies to support employment and on-the-job learning. Public works are a tool traditionally used by policy-makers to address a short-term mismatch of labour demand and supply in times of crisis. This instrument is recognized as a regular component of national employment strategies, especially when targeting particularly vulnerable groups (Lieuw-Kie-Song et al., 2010). Wage subsidies, on the other hand, are intended to foster longer term gains in private

sector job creation, lowering the barriers facing youth by reducing the costs associated with their employment. Youth can receive wage subsidies directly for employment to reduce the gap between offered wages and reservation wages. Wage subsidies can also be paid directly to employers, either as direct subsidies or indirectly through tax cuts. With wage subsidies, the aim is to lower the cost to the employer, making it financially feasible to employ young people, offer on-the-job training and keep them in their workforce after the end of the intervention. Wage subsidies paid directly to youth tend to be more effective when wage levels are a determining issue, while wage subsidies paid to employers are more effective when the focus is on subsidizing the costs of on-the-job learning and training.

**Employment services:** These programmes include job counselling, job placement

### Box 1.9: Start and Improve Your Business (SIYB): An example of a youth entrepreneurship intervention

SIYB is a management training programme. Bearing in mind the need for more and better employment in developing and transitional economies, the focus of the programme is on starting and improving small businesses. The SIYB programme is a system of interrelated training packages and supporting materials for small-scale entrepreneurs. The programme is designed by the ILO and implemented with support from certified trainers in partner institutions in more than 100 countries with an estimated outreach of 6 million trainees. Initially developed in the 1980s, it has now been translated into more than 40 languages.

The Start Your Business (SYB) package provides a five-day training course for potential entrepreneurs with concrete and feasible business ideas and proposes a follow-up programme, including counselling sessions. SYB assists participants to develop a business plan with a marketing strategy, a staffing plan and a cost plan. Details of the training materials can be found at [www.ilo.org/siyb](http://www.ilo.org/siyb).

The 2011 SIYB Global Tracer Study found that for each new business started after the training, on average, three jobs were generated. In Uganda, a randomized control trial (Fiala, 2015) providing mainly young business owners with loans, cash grants and the SYB training module, or a combination of these components, showed that, six and nine months after the interventions, men with access to loans and with business skills training reported 54 per cent greater profits relative to the comparison group.

For more information see [Majurin \(2014\)](#).

programmes and job-search assistance services. Job placement programmes acknowledge that there is a mismatch between labour demand and supply and provide young people with information about vacancies, and employers with information about eligible

unemployed young people. Job-search assistance services target primarily discouraged youth who are having difficulties connecting with existing opportunities in the labour market (ILO, 2003, pp. 6–8).

**Table 1.3: Youth-focused ALMPs**

Several studies of youth employment programmes have shown that some are successful while others fail to improve participants' chances of gaining a job. Some of the features of these programmes are summarized below.

Type of programme	Constraint addressed	Advantages	Disadvantages
<b>Skills training</b>	Deficits in labour supply and/or the quality of labour supply	Works better with broader vocational and employability skills that are in demand and includes work experience as well as employment services	May produce temporary, rather than sustainable solutions and, if not well targeted, may benefit those who are already “better off”. Training alone may not be sufficient to increase youth employment prospects
<b>Employment services</b>	Mismatch of labour supply and labour demand	Helps to link youth in search of employment to existing vacancies and job offers. If successful, this is a highly cost-efficient type of intervention. Can point youth towards desirable but not immediately obvious career paths	Might push youths towards jobs and occupations that do not match their original aspirations. Might lead to overly high or low expectations
<b>Entrepreneurship promotion</b>	Low business skills, high failure rate of new businesses	Can have high employment potential and may meet young people's aspirations (e.g. for flexibility, independence). More effective if combined with financial and other services, including mentoring	The jobs created are likely to have substantial decent work gaps. May have a high failure rate, which limits its capacity to create sustainable employment. Take-up is often difficult for disadvantaged youth, owing to their lack of networks, know-how and collateral
<b>Public employment programmes</b>	<b>Employment subsidies:</b> Low demand for youth labour from private sector/high costs of labour and training	Can create employment if targeting specific needs (e.g. to compensate for initial lower productivity and training level) and groups of disadvantaged young people	High deadweight losses and substitution effects (if not carefully targeted); employment may last only as long as the subsidy
	<b>Employment intensive public works and community services:</b> Low demand for youth labour/low levels of community investment	Help young people gain labour market attachment and, at the same time, improve physical and social infrastructure and the environment and enhance employability, if combined with training	Low capacity for labour market integration; young workers may become trapped in a carousel of public works programmes; often gender-biased; can result in displacement of private sector companies

Source: Based on the classification of interventions in [Kluve et al. \(2017\)](#).

## Evidence-based programming

A crucial element in developing an intervention is reviewing the existing knowledge about various programme alternatives and their potential effectiveness. For example, to address business start-up constraints facing young people, we may want to implement a programme to promote youth enterprises. But what exactly should the intervention look like? Assume that we confirm that financial constraints are the major obstacle to starting a business. Should the programme provide grants or loans? Should it target younger or older youth? The less well educated or the better educated? And will financial support be enough, or should it be combined with other support services, such as training, mentoring and business development support?

### TIP



The What Works in Youth Employment ([www.wwinye.org](http://www.wwinye.org)) platform is a dynamic webpage that offers an accessible service allowing users to gain an understanding of the global evidence base for the effectiveness of youth employment interventions. The platform offers advice, videos featuring researchers and policy-makers and an evidence gap map by type of ALMP and labour market outcomes.

To answer these difficult questions, programme managers will benefit from looking at the existing evidence base. Very often, implementers tend to favour certain types of projects based on predispositions and prior experience. Yet, to develop innovative

### Box 1.10: Sources of evidence on youth employment

*Interventions to improve labour market outcomes of youth: Systematic review of training, entrepreneurship promotion, employment services and subsidized employment interventions (Kluve et al., 2017).* Drawing on a pool of 1,114 records selected for screening, 107 youth employment interventions were analysed to systematically assess the employment, earnings and (for entrepreneurship interventions) business outcomes.

*Do interventions targeted at micro-entrepreneurs and small and medium-sized firms create jobs? A systematic review of the evidence and alternative evaluation designs (Grimm and Paffhausen, 2015).* Grimm and Paffhausen synthesize the existing evidence on the employment impact of 60 interventions targeted at micro, small and medium-size enterprises.

*The Independent Evaluation Group (IEG, 2013)* conducted an evaluation of all World Bank and IFC youth employment programmes between 2010 and 2011. The study included a systematic review of 38 impact evaluations. The study found that there was a lack of data on the impact of youth employment projects. The majority of World Bank projects do not disaggregate data by age, and the seven impact evaluations of World Bank projects that are specific to youth are not generalizable. The IEG called for a more evidence-based approach to youth employment operations.

*Olenik, Fawcett and Boyson (2013)* produced a state-of-the-field report on youth workforce development. The study was based on 54 publicly available studies published from 2001 to 2012, interviews with key informants from the field and staff experts from USAID, and a review of 23 major donor organizations in the field. The study reviewed the impacts on specific development outcomes, as well as the target populations most affected. The report also identified gaps in the existing evidence, such as the need for better information on cost-effectiveness of intervention components.

high-quality projects, it is important to consider the existing theoretical and empirical knowledge about youth employment programming. If the available evidence confirms our inclination, we can make a strong case for

a specific design. If, however, existing knowledge points to serious limitations of an intervention, then it will save time and money to incorporate the lessons learned into the new initiative.

<b>Table 1.4: Example of a menu of evidence-based interventions, by constraint</b>		
<b>Constraint</b>	<b>Interventions with strong evidence</b>	<b>Interventions with mixed evidence</b>
<b>Skills development</b>		
<b>Insufficient basic skills</b>	<ul style="list-style-type: none"> <li>Information about the value of education</li> </ul>	<ul style="list-style-type: none"> <li>“Second chance” education programmes</li> </ul>
<b>Technical skills mismatch</b>	<ul style="list-style-type: none"> <li>Training “plus”/comprehensive programmes</li> <li>Information on returns to technical specializations</li> </ul>	<ul style="list-style-type: none"> <li>On-the-job training</li> </ul>
<b>Behavioural skills mismatch</b>	n/a	<ul style="list-style-type: none"> <li>Behavioural/life skills training</li> </ul>
<b>Signalling competencies</b>	n/a	<ul style="list-style-type: none"> <li>Skills certification</li> <li>Training centre accreditation</li> </ul>
<b>Entrepreneurship promotion</b>		
<b>Insufficient entrepreneurial skills</b>	n/a	<ul style="list-style-type: none"> <li>Entrepreneurial training</li> </ul>
<b>Lack of access to financial, natural or social capital</b>	<ul style="list-style-type: none"> <li>Comprehensive entrepreneurship programmes</li> </ul>	<ul style="list-style-type: none"> <li>Microfinance</li> </ul>
<b>Employment services</b>		
<b>Employer discrimination</b>	<ul style="list-style-type: none"> <li>Affirmative action programmes</li> </ul>	<ul style="list-style-type: none"> <li>Subsidies to employers who hire target groups</li> <li>Employee mentoring</li> </ul>
<b>Job matching</b>	<ul style="list-style-type: none"> <li>Employment services</li> </ul>	<ul style="list-style-type: none"> <li>Technology-based information sharing</li> </ul>
<b>Public employment programmes</b>		
<b>Slow job-growth economy</b>	<ul style="list-style-type: none"> <li>Wage or training subsidies</li> </ul>	<ul style="list-style-type: none"> <li>Public service programmes</li> <li>Labour-intensive public works</li> </ul>
<b>Excluded group constraints (ethnicity, gender etc.)</b>	<ul style="list-style-type: none"> <li>Target excluded group’s participation in programmes</li> <li>Non-traditional skills training</li> <li>Safe training/employment spaces for specific groups</li> </ul>	<ul style="list-style-type: none"> <li>Adjusted programme content/design to account for excluded group’s specific needs</li> </ul>

Source: Adapted from [Cunningham, Sanchez-Puerta and Wuermlı \(2010\)](#).

A thin or missing evidence base does not mean that a proposed intervention is doomed to failure. In fact, innovative approaches will, by definition, lack a track record. However, when we carry out interventions that lack a good evidence base, we should always be

aware of their probationary nature and not take positive results for granted. For these programmes, external learning – making findings accessible to other programme managers and practitioners – is particularly important.

## KEY POINTS

1. **Start by understanding youth needs.** This requires an integrated supply-and-demand market assessment that captures the complex combination of social, economic and even environmental factors that influence young people's well-being and the constraints facing young people attempting to access decent jobs. Look beyond unemployment to consider underemployment, vulnerable employment and the working poor. Unless we know all the factors that limit youth opportunities, it will be impossible to design an intervention that truly addresses their needs.
2. **Anchor the project within the high-level institutional frameworks** – at the international level in the Sustainable Development Goals, and at the national level in the Decent Work Country Programmes. When formulating objectives, ensure that they are strategically aligned and technically robust. Be sure to consult widely among stakeholders, including intervention beneficiaries (young people).
3. **ALMPs can be categorized into four types of programmes: public employment, skills development, entrepreneurship promotion and employment services.** Select intervention combinations by reviewing the existing evidence about various programme alternatives and their potential effectiveness. If the available evidence confirms our choice, we can make a strong case for a specific design. If, however, existing knowledge points to an intervention having serious limitations, then it will save time and money to incorporate the lessons learned into our initiative.

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**Case study:**

**LABOUR MARKET DIAGNOSTICS FOR  
THE PROMOTION OF RURAL YOUTH  
LIVELIHOODS IN ZAMBIA**

## Learning objectives

By the end of this case study, readers will be able to demonstrate the following learning outcomes:

- ▶ apply appropriate assessment tools to identify the supply and demand constraints facing youth in the labour market
- ▶ understand the benefits of stakeholder consultation and the practical considerations that need to be taken into account when consulting stakeholders
- ▶ set programme objectives that are aligned with national strategic priorities.

## Introduction and case study context

Rural Youth Enterprise for Food Security (or “Yapasa”) is a UN Joint Programme aiming to promote sustainable livelihoods for young women and men in rural areas of Zambia. The programme is implemented by the International Labour Organization (ILO) and the Food and Agriculture Organization (FAO)<sup>1</sup>.

This case study focuses on the process that Yapasa followed to diagnose the youth

employment situation and design an intervention focused on needs. During a 12-month inception phase, Yapasa undertook a series of analyses and stakeholder consultations to strengthen programme design and arrive at a set of development interventions that are responsive to Zambia’s development challenges and priorities.

## Part I: Do we understand youth needs?

Zambia has a relatively young population, with about 58.5 per cent aged between 15 and 35 years old. This demographic structure has a bearing on efforts to achieve the nation’s economic development objectives. This is reflected in the fact that, although Zambia has registered impressive economic growth trends in the recent past, these have not translated into significant gains in job creation, equality and poverty reduction. In rural Zambia, the poverty rate stands at around 80 per cent, compared to 34 per cent in urban areas, and the country’s income Gini coefficient is 0.65, which places

Zambia among the countries with the highest income inequality.<sup>2</sup>

Young people are severely affected by rural poverty. Registered youth unemployment in Zambia runs at 28 per cent in the 20–24-year-old age group and 16 per cent in the 25–29-year-old age group and, while data for rural areas is scarce, evidence indicates that the unemployment figures for rural areas are higher. The situation is aggravated by high levels of underemployment. Indications are that youth unemployment rates will continue to rise – 280,000 young women and men enter the labour market each year in search

<sup>1</sup> The programme has a budget of US\$7 million and a four-year implementation period, which started in 2013.

<sup>2</sup> See : UNDP. 2016. *Zambia Human Development Report 2016* (Lusaka).

of work. They are severely disadvantaged in the competition for the approximately 700,000 jobs in the formal economy, since they typically lack the skills, work experience and social networks of their older peers. As a result, many rural youth move to search for work in the capital city, Lusaka, where the few jobs available for youth are often underpaid and are performed in hazardous environments.

Within the labour market, there is perceived to be a mismatch between the skills needed to foster economic development and increased productivity, and the skills currently supplied by the tertiary education system. This has resulted in low levels of competency and employability and a weak entrepreneurial culture among young people, who are consequently unable to benefit from the country's economic growth.

The phenomenon of jobless growth in rural areas can be explained by a number of factors, prominent among them being the one-sided focus of investors on extractive industries, where financial returns are high, due to global demand for copper, but labour absorption rates are low. By direct comparison, in agriculture, the second main pillar of the Zambian rural economy where production methods are far more labour-intensive, economic activities have expanded at a much slower pace. While maize output has soared thanks to a combination of favourable weather conditions, input subsidy financing and guaranteed prices, commercial-scale production in other agricultural subsectors has picked up more slowly.

Yapasa wants to focus on creating decent jobs for youth in rural areas to support the Government in combating these trends.

## Discussion topics



1. Which types of labour market status for young people should the Yapasa analysis focus on?
2. What diagnostic tools could help Yapasa to identify the “root causes” of the labour market constraints facing youth?
3. What type(s) of youth employment interventions do you think would be most effective in responding to the need?

## Part II: How do we run stakeholder consultation?

Yapasa began with a 12-month programme inception phase. In addition to conducting analytical research, the objectives of the inception phase were to:

- ▶ put in place programme administration and implementation mechanisms
- ▶ conduct wider consultations in order to secure broader local programme ownership and alignment to key stakeholder priorities and development goals, and

- ▶ secure stakeholder consensus in the selection of the agricultural value chains for programme intervention.

The inception phase was designed to allow sufficient time to consult all stakeholders who have a bearing on the programme.

Yapasa formulated a consultative process, consisting of:

- ▶ an inception workshop to introduce the programme and raise awareness about its existence among stakeholders
- ▶ a high-level programme launch by the ILO Director General to raise the profile of the programme among the social partners
- ▶ a consultative sector selection workshop to seek stakeholder consensus in selecting the programme's target sectors
- ▶ a value chain development training course to orient stakeholders on the value chain development approach to youth entrepreneurship
- ▶ a programme review workshop to share with stakeholders the programme objectives and the plan for the remaining implementation period.



## Discussion topics

1. Who are the main groups of stakeholders that Yapasa needs to engage with?
2. What do you think the stakeholder priorities will be for the programme? Do you think stakeholders will have similar or different expectations of the programme?
3. What would you change about Yapasa's consultative process?

## Part III: Can we formulate a development objective in line with strategic priorities?

Yapasa is a contribution to Zambia's long-term objective, as articulated in the National Vision 2030, of becoming a "prosperous middle-income country by the year 2030". Programme results will contribute directly to the attainment of the Revised Sixth National Development Plan (R-SNDP) objective of "Promoting employment and job creation and rural development, through targeted and strategic investments in sectors such as science and technology, agriculture and energy

development". It will also contribute to the Government's vision, as elaborated in the National Industrialization and Job Creation Strategy document, which aims to create a total of one million new jobs.

Yapasa needs to define a development objective for the programmes which is consistent with these national priorities, as well as the priorities of its stakeholder groups:

#	Government ministry	National policy/ strategy	Goal/strategic objective
1	Ministry of Commerce, Trade and Industry	Commerce, Trade and Industry Policy	To support the effective development and utilization of domestic productive capacities as a means of increasing output and expanding employment opportunities
		Micro, Small and Medium Enterprise (MSME) Development Policy	To facilitate the creation and development of viable MSMEs that will contribute 30 per cent towards annual employment and 20 per cent towards GDP by 2018
		Industrialization and Job Creation Strategy	To create 1,000,000 jobs, targeting the unemployed, unpaid family workers and underemployed
2	Ministry of Agriculture and Livestock	National Agriculture Investment Plan	To increase fish production, productivity and value addition through sustainable and efficient management of aquaculture
			To increase sustainable crop production, productivity and value addition for a diversified range of competitive crops in addition to maize
3	Ministry of Youth and Sport	National Action Plan for Youth Empowerment and Employment	Boosting employment opportunities for young women and men
4	Ministry of Labour and Social Security	Decent Work Country Programme	More and better employment opportunities created, focusing on targeted groups
5	Citizens' Economic Empowerment Commission	2013–2016 Implementation Strategy	Value chain cluster development

At the institutional level, Yapasa also needs to contribute to the achievement of UNDAF Outcome 2 – “Targeted populations in rural and urban areas attain sustainable livelihoods by 2015” and, more specifically, Country Programme Outcome 2.2 – “Government and Partners provide targeted groups (including youths) with opportunities for gainful and decent employment by 2015”. The programme

will also contribute directly to UNDAF Outcome 2, on Sustainable Livelihoods and Food Security and, in particular, to Country Programme Outcome 2.2, on Decent employment – aimed at promoting gainful and decent employment and income generation with a focus on MSMEs, particularly women and youth, and promoting, adapting and implementing a rights-based approach to employment.



## Discussion topics

1. Is Yapasa missing any key strategic or institutional frameworks that they need to align with?
2. Based on the above, can you formulate a suitable development objective for the programme?







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