

# Guide on Measuring Decent Jobs for Youth

Monitoring, evaluation and learning in labour market programmes

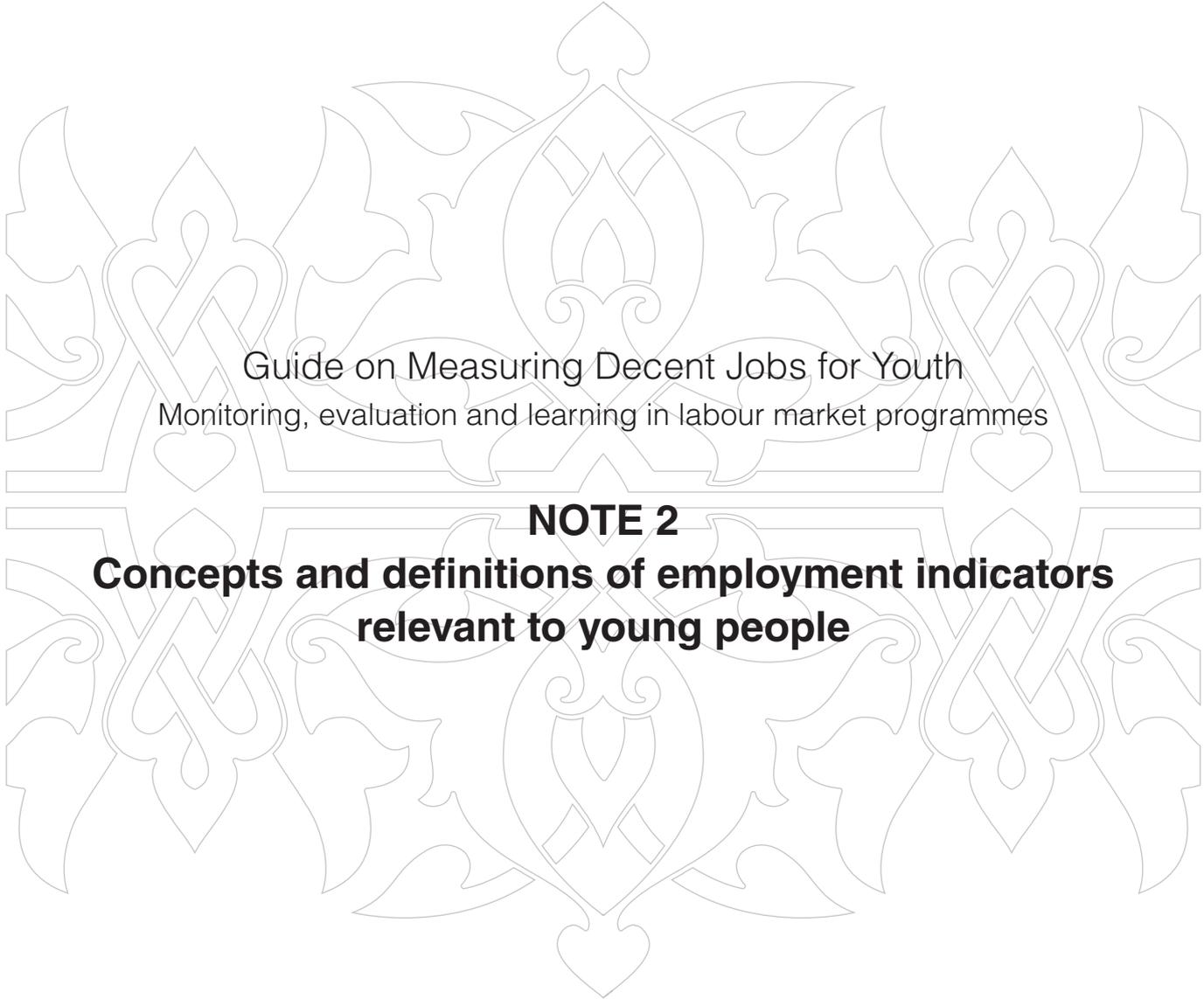


Note

# 2

## Concepts and definitions of employment indicators relevant to young people





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Monitoring, evaluation and learning in labour market programmes

**NOTE 2**  
**Concepts and definitions of employment indicators  
relevant to young people**

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## Concepts and definitions of employment indicators relevant to young people



### Prerequisites:

This chapter requires no prior knowledge. It helps readers to measure outcomes by providing a “menu” of indicators to select from, depending on the objectives and design of the specific youth employment intervention.



### Learning objectives:

At the end of this note, readers will be able to:

- ▶ understand the challenges involved in measuring higher-level goals, such as jobs, employment and income, and the different options available to define and collect data on these concepts
- ▶ select from a menu of youth employment indicators across four key results areas: employment opportunities, employment quality, employment access and employment skills
- ▶ disaggregate indicators by age, gender, rural/urban location
- ▶ align indicators on youth employment outcomes with Decent Work Statistical Indicators and the 2030 Development Agenda.



### Keywords:

Decent work statistical indicators, disaggregation, key indicators of the labour market, national labour force surveys, wages and income, full-time equivalent, job quality, labour force participation, employability, technical and soft skills.

Measuring youth employment outcomes is no simple task. The calculation of certain labour market indicators requires specialist knowledge in labour market econometrics, labour force surveys and data analysis. But the calculation of many labour market indicators is straightforward and, if applied correctly, can offer an accurate and statistically sound method for assessing the progress of a youth employment intervention.

The purpose of this note, therefore, is to provide guidance on the labour market indicators relevant to young people that can be used in the results measurement framework of youth employment interventions. We offer a menu to pick and choose from, depending on the context and objectives of the particular project. The official definitions for key labour market indicators are provided to inform our understanding of how to set and define measures for monitoring and evaluating our interventions, as well as offering an insight into the complexities and issues involved in determining the quality and quantity of a job.

## A menu of youth employment indicators

For the purposes of this guide, we break down our menu of youth employment indicators into four key results areas: employment opportunities, employment quality, employment access and employment skills.

The proposed indicators concentrate mainly on the level of the individual beneficiary, focusing on participants who are seeking a job or who aspire to improve their employability, earnings or business and self-employment outcomes. The indicators are primarily useful for interventions that target individual beneficiaries, including active labour market programmes, such as public employment services, wage subsidies and public works, as well as interventions that promote sustainable livelihoods and income-generating activities.

The indicators proposed have been selected because of their relevance and applicability in youth employment programming. We only propose indicators that can be measured at the project level and which require no more than a basic understanding of youth labour markets. That being said, the definition and calculation of most of the indicators has been set through an international standard-setting process. Therefore, measuring these youth employment indicators will provide credibility and evidence to the monitoring and evaluation of the job outcomes of the youth beneficiaries, as well as to the donors, government partners and other stakeholders.

The name, definition, description and source of each indicator is provided in the tables that

## Box 2.1: Framework on the measurement of decent work

The International Conference of Labour Statisticians presents a measurement framework that covers ten substantive elements, corresponding to the four strategic pillars of the Decent Work Agenda, namely full and productive employment, rights at work, social protection and the promotion of social dialogue. The ten elements are:

1. employment opportunities
2. adequate earnings and productive work
3. decent working time
4. combining work, family and personal life
5. work that should be abolished
6. stability and security of work
7. equal opportunity and treatment in employment
8. safe work environment
9. social security
10. social dialogue, employers' and workers' representation.

The proposed framework of indicators for project results measurement purposes builds on this decent work measurement framework.

## Box 2.2: Measuring youth employment in the 2030 Agenda for Sustainable Development

Within each of the 17 Sustainable Development Goals (SDGs) that make up the 2030 Agenda are a total of 169 targets, which provide the basis of a roadmap for action. Progress towards these targets will be measured through a set of globally harmonized indicators for monitoring performance.

A number of the indicators are directly related to the youth employment challenge, ranging across three of the 17 SDGs. Youth-related indicators are useful for those interventions which align with national development goals and poverty reduction measures. However, although they provide a helpful starting point, it should be noted that SDG indicators do not offer a detailed insight into youth in labour markets, including issues such as status in employment, hours of work, skills mismatch, social protection and social dialogue. SDG Indicators related to youth development include:

### Goal 1: End poverty in all its forms everywhere

- 1.1.1 Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)

### Goal 4 : Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- 4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex
- 4.4.1 Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill

### Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities
- 8.5.2 Unemployment rate, by sex, age and persons with disabilities
- 8.6.1 Proportion of youth (aged 15–24 years) not in education, employment or training
- 8.7.1 Proportion and number of children aged 5–17 years engaged in child labour, by sex and age
- 8.b.1 Existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy

Source: UN (2017)

follow each section. However, our guidance stops at defining the indicators and does not provide direct instructions on how to tabulate or calculate each indicator. The ILO and its partners offer a wealth of guidance on the coding, computation and tabulation of all labour market indicators; you will find the source for further information next to each indicator in the relevant table.

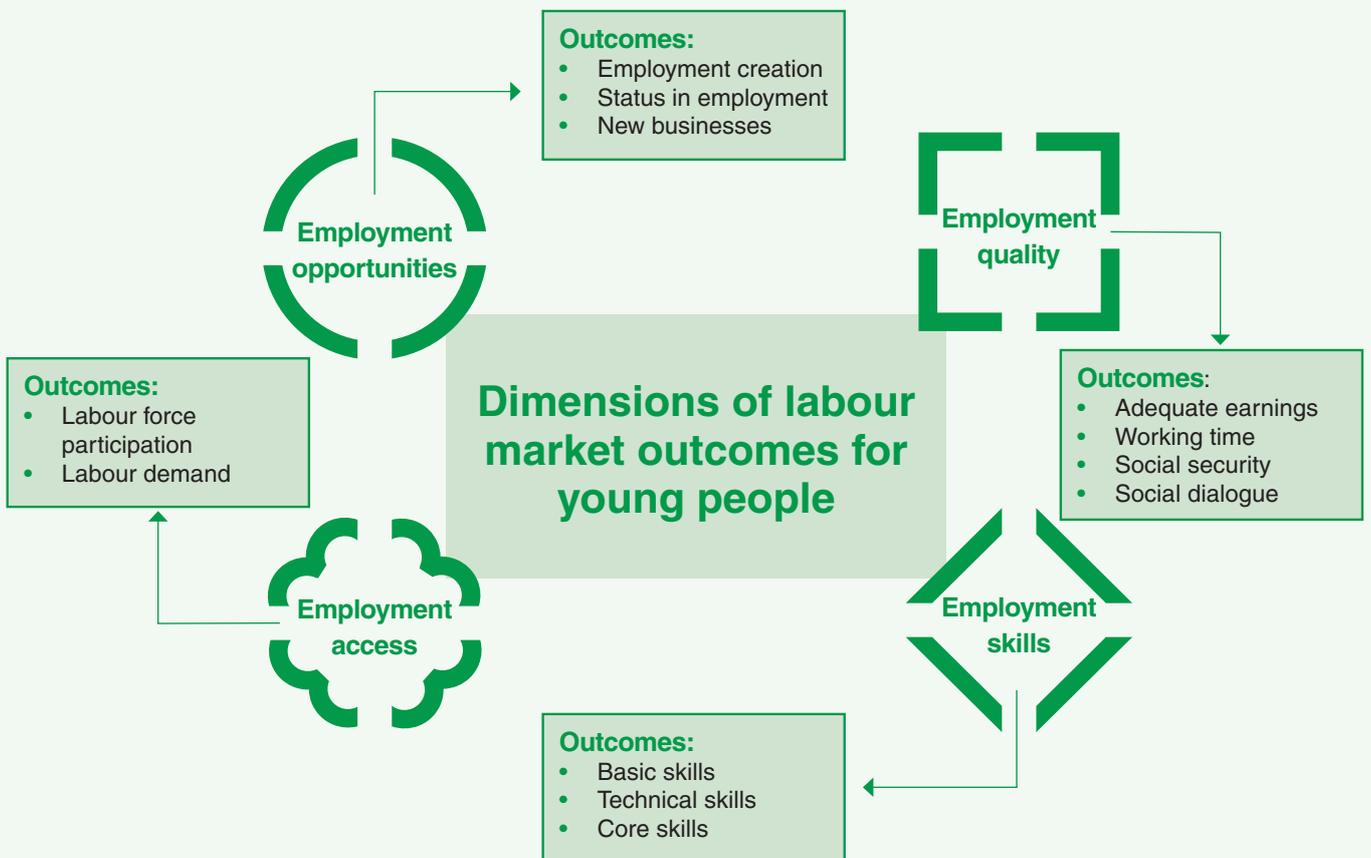
We distinguish between four key dimensions of decent jobs for youth:

(a) **Employment creation:** Outcomes relate to the creation of more jobs for project target

beneficiaries at an individual level. The jobs can either be created for employees or for the self-employed, either as employers or as own account workers. Another key outcome refers to business development, as self-employment and entrepreneurship are the main focus of many youth employment interventions.

(b) **Employment quality:** Outcomes focus on the ability of beneficiaries to achieve better labour market results, through social security provision, social dialogue, increased earnings and decent working time. Many young workers hold jobs of poor-quality in low-

FIGURE 2.1: OVERVIEW OF EMPLOYMENT INDICATORS RELEVANT FOR YOUTH EMPLOYMENT INTERVENTIONS



productivity, low-income activities. These types of results are therefore especially relevant for projects targeting the informal sector and for livelihoods projects.

- (c) **Employment access:** Outcomes relate to activating young people to enter the labour market, improving performance of the labour market and measuring the demand for labour and skills by employers. Outcomes allow the targeting of specific vulnerable or traditionally disadvantaged groups in

the labour market, especially women and youth

- (d) **Employment skills:** Outcomes relate to measuring the supply side of the labour market, young people's skills and competencies. Key employability skills to be measured are inter-related and include basic skills including literacy and numeracy, technical skills or the ability of individuals to perform various tasks and core work skills which are also known as soft skills.

**Table 2.1: A menu of labour market indicators relevant to young people**

Outcome	Indicator
<b>Employment opportunities</b>	
Employment creation	Number (or rate) of employed project beneficiaries
	Number (or rate) of unemployed project beneficiaries
	Number of full-time equivalent (FTE) jobs
Status in employment	Number of employees
	Number of self-employed: employers
	Number of self-employed: own-account workers
New businesses	Number of newly created firms with more than one paid employee
	Annual sales revenue for beneficiary firms
	Share of newly established beneficiary firms still operational after X months
	Percentage of firms formally registered
<b>Employment quality</b>	
Adequate earnings	Mean nominal monthly/hourly earnings of employees (in local currency)
	The relative difference between the average hourly pay for men and the average hourly pay for women (gender wage gap)
Working time	Average annual working time per employed project beneficiary
Social security	Percentage of youth/employed youth that are active contributors to a pension, sickness or unemployment insurance scheme
Social dialogue	Percentage of young workers whose pay and conditions of employment are covered by a collective bargaining agreement (an agreement between workers' organizations and employers' organizations)
<b>Employment access</b>	
Labour force participation	Labour force participation rates
Labour demand	Numbers of vacancies and hard-to-fill vacancies by occupation
	Average length of time for beneficiary firms to fill a vacancy
	Lists of missing skills
<b>Employment skills</b>	
Basic skills	Youth literacy rate
	Youth numeracy rate
	Youth oral communication skills rate (speaking and listening)

Outcome	Indicator
Technical skills	Job-/task-related measures of skill use at work
	Participation in apprenticeships
	Employer-reported technical skills
	Share of tertiary graduates (enrolment) in STEM subjects
Core skills	Share of beneficiaries with a high level of self-esteem
	Share of beneficiaries with a high level of self-confidence
	Share of beneficiaries with a high level of ability to convey information effectively
	Share of beneficiaries with a high level of problem-solving skills

Three main **disaggregations** are recommended to be applied to youth labour market indicators:

1. **Age:** The ILO uses the United Nations' definition of a young person as between the ages of 15 and 24 years old; however, different youth interventions will have different age requirements, depending on the national context. ILO's school-to-work transition surveys, for example, use the expanded definition of youth – 15–29 years old. It may also be useful to disaggregate by more than one youth age group; for example, ages 15–17 (adolescents of working age) and 18–24 (young adults).
2. **Gender:** Sex-disaggregated data are collected and analysed separately for males and females. The purpose of collecting sex-disaggregated data is to provide a more complete understanding of youth employment data in order to develop better policies and programmes. Collecting and analysing sex- and age-disaggregated data

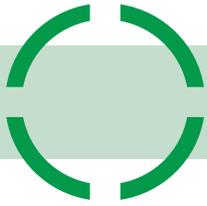
is also critical to integrating gender-aspects effectively into programme design. Without this stratified data, teams cannot accurately analyse differences between the ways in which women and men access and benefit from services and respond to those differences to improve project aims and health outcomes.

3. **Rural/urban:** Official definitions of rural and urban areas are usually country specific and there is no harmonized definition of this widely used concept. We recommend that you apply the national definition when describing the types of work performed in both farm and non-farm jobs and their rural labour-related characteristics. The ILO has published preliminary overviews of national definitions of urban/rural and best practices of international organizations.<sup>1</sup>

<sup>1</sup> See: <http://www.ilo.org/global/statistics-and-databases/statistics-overview-and-topics/rural-labour/lang--en/index.htm>

## DEFINITION

**Disaggregation:** Disaggregation is the breakdown of observations into more detailed levels. Data should be disaggregated according to what is to be measured. For example, for individuals the basic disaggregation is by sex, age group, level of education and other personal characteristics useful to understanding how the programme functions and how it affects different (target) groups.



## Employment opportunities

The first dimension of employment measurement relates to opportunities. This dimension refers to the quantity of jobs created by a youth employment intervention, with the primary indicator being the employment rate of project beneficiaries. An equally important indicator of employment is the quality of the job – a topic addressed in the next section.

For the selection of indicators on employment we follow definitions as provided by the ILO's ILOSTAT database.<sup>2</sup> In order to assess decent work for those in employment, we rely on guidance in the ILO's Decent Work Indicators manual (ILO, 2013a) and the school-to-work transition surveys (ILO, 2009). In table 2.2 we briefly describe each indicator and give information on the data type, the history of its use and whether it can be collected at the individual level.

The ILO defines employment from a people-centric perspective (i.e. whether an individual is employed, underemployed or unemployed), rather than focusing on a job as the unit of analysis. The “employed” comprise all persons who worked for pay, profit or family gain for at least one hour in the reference week plus the number of persons who are temporarily absent from their jobs (ILO, 2013a, para. 27 ff.). Three different employment statuses are captured by the terminology: “for pay” captures any person who performed some work for wage or salary, in cash or in kind (wage and salaried workers); “for profit” aims to include workers who are self-employed; and “for family gain” allows for the inclusion of contributing family workers who worked in a family establishment or landholding. A young person is considered to be

employed if they fit this definition and are of “youth age” (the age definition of a young person changes being country-dependent). The employment rate is straightforward to calculate: divide the number of employed persons by the total number of persons of working age (or in the case of youth employment by the number of young people in a given age range, for example 15 to 24 years of age).

Young persons that are not employed are either classified as being “unemployed” or “outside of the labour force”. In order to be considered unemployed a young person must be both (i) carrying out activities to seek employment (during a specified recent period, for example the last week) and (ii) currently available to take up employment given a job opportunity. This definition of unemployment might in some cases lead to an underestimation of labour-utilization, in particular if many young people are discouraged and stop actively looking for work. Therefore, young people not working and not seeking work because they feel that undertaking a job search would be a futile effort, are considered as “discouraged workers” (ILO, 2009).

Defining youth employment in this way runs the risk of veiling the extent of underemployment amongst young people. According to the definition of employment, a young person working for one hour a week would be counted as employed. Therefore, information on employment needs to be complemented with data on the number of hours worked. In a results measurement framework, it would be best to indicate both the number of jobs created and their equivalent in full-time posts in

<sup>2</sup> See: [www.ilo.org/ilostat](http://www.ilo.org/ilostat)

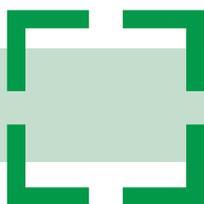
order to avoid exaggerating the beneficial effects of the intervention.

Full-time equivalent (FTE) is an approach to measuring jobs that is used and advocated by most international financial institutions as well as by the Donor Committee for Enterprise Development. FTE helps to reveal the total quantity of work created. However, it does not clarify the number of people who benefited from additional jobs and therefore we recommended that FTE be used in combination with youth employment rates. Both measures require the number of hours worked by all project beneficiaries to be monitored.

The below guidance also proposes a number of enterprise-related indicators, given the importance of promoting youth entrepreneurship as a pathway to increasing the number of decent jobs for young people. The indicators includes the number of newly created firms, additional sales revenue, share of newly established beneficiary firms and percentage of firms formally registered. Gathering this information may require increased efforts in data collection, although for the purposes of project-level monitoring and evaluation the information can be collected from the business owners themselves.

Table 2.2: Indicators for employment opportunities			
Outcome	Name of indicator	Description	Source
Employment creation	Number of employed young persons / youth employment rate	<p>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:</p> <ul style="list-style-type: none"> <li>(a) employed persons “at work”, i.e. who worked in a job for at least one hour;</li> <li>(b) 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).</li> </ul> <p>The definition thus includes both, self- and wage employed beneficiaries.</p> <p>The youth employment rate is calculated by dividing the number of employed young person by the total number of young persons (in a given age range).</p>	ILO (2013a, para. 27 ff.)
	Number of unemployed young persons	<p>Persons in unemployment are defined as all those of working age who fulfil the following three criteria:</p> <ul style="list-style-type: none"> <li>(i) not in employment;</li> <li>(ii) carried out activities to seek employment during a specified recent period and</li> <li>(iii) were currently available to take up employment given a job opportunity.</li> </ul> <p>Persons who fulfil criteria (i) and (iii) but not (ii) – that is those that are not actively seeking employment – are sometimes referred to as “discouraged individuals”.</p>	ILO (2013a, para. 47ff.)

Outcome	Name of indicator	Description	Source
	Number of full-time equivalent (FTE) jobs	Net additional, FTE jobs created in target enterprises as a result of the programme, per year and cumulatively. Part-time jobs are converted to FTE jobs on a pro-rata basis, based on local definition (e.g., if working week equals 40 hours, a 24-hour per /week job would be equal to a 0.6 FTE job).	ADB (2013)
	Status in employment	<p>Provides information on how jobs held by persons are classified, based on the associated type of economic activity. Employed persons are classified according to the following categories:</p> <p>(a) employees: All those workers who hold "paid employment jobs" who have an explicit (written or oral) or implicit contract of employment with an employer</p> <p>(b) self-employed: all those who are working on their own account where the remuneration is directly dependent upon the profits derived from the goods or services produced</p> <p>(b.I.) self-employed (employers): those who, on a continuous basis, have engaged one or more persons to work for them in their business as "employee(s)"</p> <p>(b.II.) self-employed (own-account workers): those self-employed workers who have not engaged on a continuous basis any "employees" to work for them during the reference period.</p> <p>Although included as categories of employment status, the following three are left out of our guidance: (a) members of producers' cooperatives; (b) contributing family workers; (c) workers not classifiable by status.</p>	ILO (1993, para. 8, ff.)
Status in employment	Number of newly created firms with more than one paid employee	Newly created firm: formal or informal firms that were created as a result of the intervention. Paid employee: Worker holding a job in which the basic remuneration is not directly dependent on the revenue of the employer (can include family members).	ILO (2015)
New businesses	Additional (annual) sales and revenues for beneficiary firms	By keeping track of sales and revenues (on an annual or monthly based), we can measure the incremental sales and revenues (in US\$) for a given period of project-supported businesses.	ILO (2015)
	Share of newly established beneficiary firms still operational after X months	The indicator tracks the ratio of newly established beneficiary firms that are still operational compared to the total number of firms participating in the intervention.	ILO (2015)
	Percentage of firms formally registered	Percentage of firms formally registered when they started operations in the country.	Fiala and Pilgrim (2013)



## Employment quality

Job quality is a multidimensional concept and is one of the most important dimensions of decent work. The general or overall quality of a job is the sum of multiple aspects that affect both the employment relation and the work itself. This multidimensional nature of job quality makes the development of a single indicator or system of indicators nearly impossible.

In this section we refer to job quality as those aspects of the employment relationship that have a potential impact on the well-being of workers: these are all the aspects related to the employment contract, remuneration, working hours, social protection and social dialogue.

One of the most important concepts to be measured is earnings or wages. The concept of earnings relates to remuneration both in cash and in kind paid to employees for time worked or work done, together with remuneration for time not worked, such as annual vacation, other types of paid leave or holidays. Earnings should include direct wages and salaries, remuneration for time not worked (excluding severance and termination pay), bonuses and gratuities and housing and family allowances paid by the employer directly to the employee.

Some concepts that might be addressed in a youth employment intervention, such as

### Box 2.3: Key components of decent work: Measuring informality

When measuring informality, it is necessary to distinguish between the informal sector and informal jobs. Even workers in the formal economy can have jobs that are classified as informal (for example, due to a lack of social protection coverage or even a contract) and this has important implications for the classification of working conditions in a region.

Certain data must be gathered to determine whether a person is in informal employment. First, core information about the employment characteristics has to be collected, such as occupation and employment status. Second, contextual information, such as workplace characteristics and the type of employment contract, is needed to classify whether the employment is formal or informal. Third, information that identifies whether the employment is taking place in the informal sector, such as whether the enterprise is registered, its legal status and whether both state and employer contributions are being made to social protection provision. Finally, descriptive information on the work characteristics and plans of the employed person under consideration can be collected.

For information on survey design to determine informality, see [ILO \(2013b\)](#).

It is important to acknowledge that different subgroups in the population have a different likelihood of being affected by informality. The report *Women and men in the informal economy: A statistical picture* (ILO, 2018) gives a detailed account of the heterogeneity in informality and its prevalence across many different group. The groups particularly at risk, apart from certain occupations with an overrepresented share of informal employment, are young people and women. This highlights the fact that informality is a concept that should be considered and addressed in youth employment interventions. Gearing interventions towards the informally employed can be a useful in identifying and targeting particularly vulnerable participants.

informal employment, are not directly captured in the indicators suggested. However, when using the indicators jointly, some of these more abstract concepts can still be measured. Given the variety of dimensions to be covered, we decided to provide guidance on only

a few basic measures for each aspect of decent work. Although this does not give exhaustive coverage on these dimensions, it ensures that an entry point is provided for each of the possible fields of youth employment interventions. For each measure, table 2.3 includes a

### Box 2.4: Example: How to use selected indicators in project measurement and evaluation

The decision on which indicator can best capture and represent the outcome of interest is just the first step in the measurement process. Data must be collected to compute the indicator, which has to be configured correctly to achieve the desired result. This note cannot give instructions on every proposed indicator. However, the steps involved in computing the NEET indicator are detailed below, which highlight some issues that should be taken into account while constructing indicators. For many of the indicators suggested, detailed information on computation and interpretation can be found in the ILO manual (ILO, 2013c).

#### Youth not in employment, education or training (NEET)

The NEET indicator is one of the decent work indicators suggested by the ILO and plays a prominent role in the Sustainable Development Goals (SDGs). For SDG 8, decent work and economic growth, it is a key indicator for the labour market situation of young people. The indicator can be calculated as follows (“#” means “number of”):

$$\text{NEET (\%)} = \frac{\text{Total \#youth} - \text{\#youth in employment} - \text{\#youth in education or training who are not in employment}}{\text{Total \#youth}} \times 100$$

The share of NEET among young people is an important indicator because it is a gauge of the potential labour supply among young people. As it includes both discouraged and economically inactive youth, it provides a measure of the degree of social and economic exclusion of young people. Because only young people who are not in employment, education or training are included, it is robust to the educational choices of young people. Rather than counting economically inactive youth, the NEET measure allows us to differentiate between those who are economically inactive but in education and therefore likely to join the labour market successfully and those who have (temporarily) given up on employment.

In order to obtain NEET results that are comparable across countries, it is important to use a common definition of education and training. The ILO suggests that only formal education and training should be considered, excluding non-formal education, such as workshops provided by an institutionalized provider in addition to the formal education system, and informal learning.

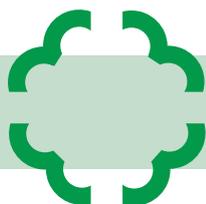
High female NEET rates in comparison those of males in a country can point to gender roles that assign a disproportionate burden of household chores to girls. As this can prevent young girls both from finishing their education and entering the labour market, high female NEET rates, especially among adolescents (15–17 years old), can be understood as an early warning sign of long-term gender equality issues and the presence of barriers to young girls successfully entering the labour market and forging a career.

short description, explains the data type, data sources and indicates whether data can be collected at intervention level.

Efforts have been made to construct aggregate measures for decent work, as discussed

in Anker et al. (2003) and Ghai (2003). However, these measures have been criticized because they do not fully map the concept of decent work and use macro-level indicators that provide very little information about the decent work situation of individuals.

Table 2.3: Indicators for employment quality			
Outcome	Name of indicator	Description	Source
Adequate earnings	Average wage	Mean nominal monthly/hourly earnings of employees (local currency).	ILO (1982, para. 9)
	Gender wage gap	Measures the relative difference between the average hourly pay for men and the average hourly pay for women.  The gender wage gap is the difference between the gross average hourly earnings of male and female employees expressed as percentage of gross average hourly earnings of male employees. When the gender pay gap equals “0”, it denotes equality of earnings. Positive values reflect the extent to which women’s earnings fall short of those received by men, where a value closer to “100” denotes more inequality than a value closer to “0”. Negative values reflect the extent to which women’s earnings are higher than men’s.	ILO (1982, para. 9)
Working time	Average annual working time per employed project beneficiary	Hours actually worked is the time spent in a job for the performance of activities that contribute to the production of goods and/or services during a specified short or long reference period.	ILO (2008a)
Social security	Social insurance coverage	Percentage of youth/employed youth that are active contributors to a pension, sickness or unemployment insurance scheme.	ILO (1999, 2013c).
Social dialogue	Collective bargaining coverage	Percentage of young workers whose pay and conditions of employment are covered by a collective bargaining agreement between workers’ organizations and employers’ organizations.	Ghai (2003), ILO (2013c).



## Employment access

In order to promote decent employment, it is not enough simply to measure the employment outcomes of a youth employment intervention. Rather, the match between individual skills and employers' requirements is crucial to determine job prospects for young people. The ability to accurately assess the functioning of the labour market in balancing suppliers of labour services (workers) against the demands for labour services (employers), often through labour market policies, is crucial to addressing market distortions. Many youth employment interventions will not directly tackle the demand for skills, as they focus on developing young people's skills rather than improving recruitment in enterprises. However, careful attention to estimating the skills demands of employers when designing and monitoring an intervention can contribute to improved youth job outcomes. Table 2.4 provides an overview of indicators to measure employment access.

A key measure of access to employment is the labour force participation rate, which assesses the extent to which the population is economically active, either employed or actively looking for work. This is an important measure for monitoring those projects which are not only concerned with employment but also with the activation of young people to search and apply for jobs. This measure relates to potentially enhancing the labour supply.

To assess employment demand, some interventions will find it important to monitor the number of vacancies as well as the average length of time that it takes employers take to

fill vacancies. Equally important would be to ask employers to identify the skills gaps and shortages in order to develop training curricula which can improve capacities to fill these reported gaps.

However, it is not advisable for all projects to collect primary quantitative data from employers regarding their vacancy and skills gaps. In many cases, data on vacancies can be collected from public employment services, which often times keep records about their clients (jobseekers) as well as about the vacancies they try to match them with. Vacancy and jobseeker statistics can serve as useful information on current skills supply and demand, and can be complemented by information about the reasons for these vacancies, as it must be established whether vacancies are related to a lack of skills and competencies among job applicants or just the enterprise having difficulty attracting applicants.

In addition to the collection of quantitative vacancy data from secondary sources, qualitative data can be sourced through consultation with a smaller number of companies in selected sectors to provide more detail and capture recent trends in emerging occupations and skills and possible future developments. Content analyses of job requirements, as described in vacancy advertisements, could be used in addition to consultation.

It is also necessary to explore the specific skills that employers find lacking and the impact of skill-shortage vacancies. Projects can consider asking employers questions on recruitment and the skills levels of those leaving

education to take up their first jobs. Employers can be asked whether they have recruited anybody into their first job on leaving education in the past two to three years. It is then

possible to explore employers' perceptions of these recruits in terms of their readiness for work and their skills.

### Box 2.5: Employer/establishment skills surveys (ESSs)

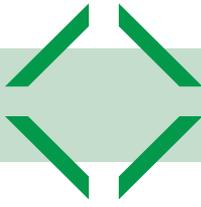
An ESS is an instrument designed to generate data on employer demand for and investment in skills and workers. It helps to define the type, level and composition of skills that individuals need to perform the work demanded by enterprises, as well as determining vacancy rates and whether they relate to a lack of suitable candidates with the required skills. This type of survey not only documents the skill content of current jobs, but, when the correct design is applied, it is also an appropriate tool for investigating future needs, by obtaining information on the type of occupations that will be in higher (or lower) demand or the skills that will be key in future workers' skills portfolios.

This information lays the foundations for generating the knowledge that allows each of the actors in the labour market to adjust their strategies and actions to cope with the challenges they face.

- (1) Policy-makers can shape their education and training policies and also encourage specific human resource strategies, such as:
  - design of initial and continuing education using information on basic areas of expertise in emerging occupations and sectors, as well as upgrading and remedial education for specific segments of the workforce
  - design of active labour market policies: counselling/guidance and retraining for jobseekers.
- (2) Education and training providers (public or private) can receive updated information on skills demand to inform:
  - design of education and training programmes and skills standards, and changes in number of education and training places provided, to serve changing enterprise demand for new entrants
  - design of education and training programmes and skills standards to adjust skills of current workers in response to changing enterprise skills needs.
- (3) Employers can compare themselves to others in terms of training provision or their experience of skills deficiencies, and identify key challenges and opportunities for their sector in terms of:
  - understanding of skills needs drivers to establish the relationship between work organization, product strategies, business positioning and technological changes, and enterprises' skills and training needs.
- (4) Individuals (with the help of careers advisers) can identify skills areas that they might have to upgrade and sectors and occupations with specific skills shortages that offer good job opportunities:
  - identification of skills gaps and labour shortages by level and type of education/ training to contribute to the knowledge generation on future skills needs.

**Table 2.4: Indicators for employment access**

Outcome	Name of indicator	Description	Source
Labour force participation	Labour force participation rates	Labour force participation rate is a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or by actively looking for work, relative to the country's total working-age population.	ILO (2016)
Labour demand	Numbers of vacancies	Both the overall number of vacancies and the number of hard-to-fill vacancies, as well as their ratio, can be determined. This data can be obtained through secondary sources, such as public employment services or establishment skills/vacancy surveys.	Řihova (2016)
	Average length of time for employers to fill a vacancy	The average length of time taken for an employer to fill a vacancy can be determined through secondary sources, such as public employment services or establishment skills/vacancy surveys.	Řihova (2016)
	Lists of missing skills	These can be reported either by workers or by employers.	Řihova (2016)



## Employment skills

Skills development is essential for increasing the productivity and sustainability of enterprises and improving working conditions and the employability of workers (ILO, 2008b). In order to secure that first job, as well as navigating in the labour market, young women and men need technical skills to perform specific tasks as well as core work skills, such as learning to learn, communication, problem-solving and teamwork. Development of core skills, awareness of workers' rights and an understanding of entrepreneurship are the essential building blocks for lifelong learning and the capacity to adapt to change.

The ILO (2000, para. 9) defines employability skills as:

the skills, knowledge and competencies that enhance a worker's ability to secure and retain a job, progress at work and cope with change, secure another job if he/she so wishes or has been laid off and enter more easily into the labour market at different periods of the life cycle. Individuals are most employable when they have broad-based education and training, basic and portable high-level skills, including teamwork, problem solving, information and communications technology (ICT) and communication and language skills [...]. This combination of skills enables them to adapt to changes in the world of work.

Measuring young people's progress and advances in their work-related skills level is a topic of much debate and there currently is no consensus on the most accurate methods for measuring work skills. A common feature of most skill definitions is to distinguish three types of skills, although these are labelled differently according to organization and

context. The ILO distinguishes basic, technical and core skills (sometimes including a fourth dimension of personal/professional skills, see Brewer, 2013), while in the academic context a grouping of basic, higher-order thinking and affective skills is often used (Cotton, 1996). In this note, we make use of this threefold distinction between basic skills, technical skills and core skills, referring to the ILO definitions.

The success of a skills training programmes depends not only on the skills that young people have acquired through education and training but also on how these relate to the skills required in the labour market. As stated in Note 1, during the diagnostic phase, both labour demand and supply need to be analysed so that the skill gap to be addressed by the intervention is clearly defined. In this subsection, we will first focus on skills outcomes on the labour supply side, discussing measures for basic, technical and core skills. In the next subsection, changes to employer-reported skills to be addressed as a complementary outcome measure for skills will be discussed.

One should be warned that the proposed menu of skills indicators should not be perceived to replace skills accreditation or certification processes in place at national level. Public as well as some private authorities have responsibility for determining the type of skills and how attainment of these skills are measured and awarded. The skills proposed below are intended for individual skills development using academically approved measures which can be applied globally.

## MEASURING BASIC SKILLS

Basic skills include literacy, numeracy and the capacity to communicate. These skills are a precondition for almost every type of job. Improving basic skills through youth employment interventions can therefore be an invaluable contribution to enabling young people to find decent employment (Brewer, 2013). These skills are at the heart of each national education system and should be imparted during primary school. Youth employment

interventions can, in some instances, complement or consolidate these skills, but it is beyond both the mandate and the resources of local interventions to provide a full set of these skills. For example, in programmes such as business trainings, basic skills might improve alongside entrepreneurship skills. Standardized tests to measure literacy and numeracy levels are available, which can help to assess basic skills outcomes.

**Table 2.5: Indicators for basic skills**

Outcome	Name of indicator	Description	Source
Basic skills	Youth literacy rate	<p>The ability to read and write.</p> <p>The OECD offers the Education and Skills Online Assessment, which provides individual-level results linked to the Programme for the International Assessment of Adult Competencies (PIAAC). The assessment contains modules on literacy and numeracy, as well as problem solving. The test can be taken from the age of 15 and therefore fits well with conventional classifications of young people as 15–24 (see <a href="http://www.oecd.org/skills/Esonline-assessment/">http://www.oecd.org/skills/Esonline-assessment/</a>).</p> <p>Enrolment in and/or completion of primary education can be used as a proxy for literacy, although certain individuals may have had some schooling but still be illiterate, while others may have had no schooling but may be literate. Basic literacy is an important prerequisite for many types of further learning.</p>	<a href="#">OECD (2000)</a>
	Youth numeracy rate	<p>The ability to understand and work with numbers.</p> <p>See above for comments and sources.</p>	<a href="#">OECD (2000)</a>
	Youth oral communication rate (speaking and listening)	<p>Oral communication is the dynamic process by which people exchange thoughts, ideas and messages. Listening is the act of interpreting sounds and/or visual stimuli and using those interpretations to give them meaning.</p> <p>The Children, Youth and Families Life Skills project (CYFAR) developed the “communication scale” to assess youth’s ability to communicate by examining the frequency of use of the following skills that are necessary for effective communication practices:</p> <ol style="list-style-type: none"> <li>1. Awareness of one’s own styles of communication</li> <li>2. Understanding and valuing different styles of communication</li> <li>3. Practising empathy</li> <li>4. Adjusting one’s own styles of communication to match others’ styles (communicative adaptability)</li> <li>5. Communication of essential information</li> <li>6. Interaction management.</li> </ol>	<a href="#">Barkman et al. (2002)</a>

## MEASURING TECHNICAL SKILLS

The terms “competencies” and “skills” refer to the capacities or abilities of individuals to perform various tasks. For the purposes of this guide, we are concerned primarily with the capacity to perform tasks required for certain jobs; that is, occupational skills. Skills are therefore primarily characteristics of individuals.

Technical skills are normally obtained during specialized vocational or tertiary education. They may also be associated with jobs, where they are prerequisites for the competent performance of tasks, and with education and training programmes and related qualifications, where they are taught and assessed. Evidence suggests that methods of measuring basic skills, such as literacy or cognitive skills, are reliable while technical skills are more difficult to measure and are affected by a variety of external factors (Laajaj and Macours, 2017).

Also, technical skills are not one homogenous set but differ widely according to occupation and the specific workplace. Additionally, the technical skills required in an occupation change over time, with some skills becoming

obsolete. From the intervention perspective, technical skills therefore need to be considered with the skills requirements and potential skills gap firmly in mind. Given that they cannot be as widely applied as basic skills, they are less an end in themselves and their usefulness is more closely tied to whether they make it easier to obtain decent work.

After deciding on specific technical skills to address in a training programme, the best way to measure advancements is to conduct a test that is tailored to the training contents. Ideally, this test would be taken both before and after the training so that progress can be measured. In some special cases, skills acquisition can be monitored through participant outputs during the training. For example, in the ILO Start and Improve Your Business (SIYB) programme, participants are required to draft business plans. Rather than having participants sit a test, which consumes time and resources, the quality of business plans can be directly assessed. For intervention types where participants deliver several outputs during the training, the quality of these

### Box 2.6: Most commonly used measurements of skills

Skills characteristics are difficult to measure. At the individual level, the measurement of skills includes psychological tests and various forms of assessment (school grades and tests, assessment centres, worker evaluation). In some types of analysis (especially opinion surveys of employers, employees or graduates), direct questioning on skills is used as well. Other types of analysis use different proxy variables to measure skills supply and demand. These may include:

- (a) qualifications: degrees, diplomas, certificates, acquired in education or training or in a system of recognition learning outcomes. In empirical analysis they are most often expressed as level and field of highest education attained
- (b) occupations: sets of jobs similar in terms of tasks and duties. Standard classifications of occupations (ISCO or similar national classification) are most often used in empirical research
- (c) tasks: activities performed in jobs. This may refer to various types, such as manual tasks, reading, writing, communication with colleagues or customers and work with computers, up to job specific tasks.

outputs can be a useful indirect measure of improved technical skills.

Where an intervention combines skills training with practical work through work-based learning, such as internships or apprenticeships, employer-reported improvements in skills can

be used to complement test results. Where an intervention promotes the placement of participants in formal education, such as vocational training or university programmes, the share of participants in those subjects which are most in demand can be used as an approximate measure of technical skills.

**Table 2.6: Indicators for technical skills**

Outcome	Name of indicator	Description	Source
Technical skills	Job-task measures of skill use at work	Calculated as the proportion of workers performing various job tasks (either in terms of frequency or at different levels of complexity). These job tasks would cover: reading, writing, numeracy, use of IT, communicating, teamwork, learning new things, physical work and manual dexterity.  These job-task indicators provide more direct measures of the broad or generic skills required by employers than do educational qualifications of workers.	<a href="#">Keese and Tan (2013)</a> .
	Participation in apprenticeships	Proportion of youth (aged 15–24) that are apprentices (in either modern or traditional apprenticeships). Needs to be obtained from primary sources.  Provides a measure of an important source of learning and skills formation that is not captured by the other proposed indicators of participation in education and training.	<a href="#">Keese and Tan (2013)</a> .
	Employer-reported technical skills	Improved technical skills, as reported by the employer.  Needs to be obtained from primary sources.  This measure can only be used for programmes with a practical component, such as internships or apprenticeships. Regular feedback on the technical skills of the participants can help to show which modules of the training are most readily assimilated by the participants.	
	Share of tertiary graduates (enrolments) in STEM subjects	The ratio of either graduates or enrolled students in STEM (science, technology, engineering and mathematics) subjects to all graduates or all enrolled students.  Note that the relevance of this indicator depends on the skills requirements specified by employers.  Provides an indicator of the focus of the tertiary education system on a key area of skills demand that drives economic growth as well as on the potential supply of new labour market entrants with science and technology skills.	<a href="#">Keese and Tan (2013)</a> .

## MEASURING CORE SKILLS

The third skill group has been claimed as a major obstacle to obtaining good jobs and has therefore received increasing attention over the past few years. Depending on the field and national context, core skills are also referred to as soft skills, life skills, soft outcomes, practical skills (Blades et al., 2012) or core work skills, key qualifications, essential qualifications and transferable skills (Brewer, 2013). Their role in employment can be summarized as follows:

“They make the difference between being good at a subject and being good at doing a job” (UKCES, 2009).

Core skills comprise the capacity to acquire more skills, or “learning to learn”, social skills such as team work and communication, and problem-oriented thinking. In an environment where technical skills requirements may change quickly, core skills become increasingly important. According to Brewer (2013, p. 5), country evidence suggests “that building the capacity to learn, rather than training to meet detailed forecasts of technical skill needs” may be just as important, “because these may change before curricula can adjust”.

Even where gaps exist in formal education in many countries, leading to a lack of basic skills and technical knowledge that must be addressed, youth employment interventions often have a strong soft skills component. This is

not only because they are seen as particularly important for obtaining employment, but also because they are shown to make progress on traditional academic measures of skills more likely and tend to have a positive influence on reduction of risk behaviours as well (Wilson-Ahlstrom et al., 2014).

In the context of youth employability skills, the use of composite indices is more widespread because different dimensions of skills tend to be closely correlated. Aggregating single indicators also helps to make assessments more reliable and reduces measurement error. We therefore suggest a range of aggregate measures, based on their breadth and the extent to which they are replicable and have been validated.

However, we also offer uni-dimensional measures that are adequate for projects which target just one type of core skill.<sup>3</sup> The single indicators we offer can also be combined in a survey to mirror the composition of a specific youth employment intervention. Mixing items from the different scales can help to decrease survey fatigue, as items mapping on the same dimension can trigger recognition effects.

<sup>3</sup> For the single-skill measures, we focus on youth of high school age. If a younger age bracket is under consideration, covering ages from 10 to 12 years old, many useful measures are available on the CYFAR platform (see [https://cyfar.org/ilm\\_common\\_measures](https://cyfar.org/ilm_common_measures)).

### Box 2.7: The Big Five of measuring non-cognitive skills

Psychologists primarily measure non-cognitive skills by using self-reported surveys or observer reports. They have arrived at a relatively well-accepted taxonomy of non-cognitive skills, called the Big Five, with the acronym OCEAN, which stands for: Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism.

While the Big Five measures are now widely used in psychology, there are several other taxonomies, including the Big Three, the MPQ and the Big Nine, all of which are conceptually and empirically related to the Big Five.

**Table 2.7: Indicators for core skills**

Outcome	Name of indicator	Description	Source
Core skills	Self-esteem/ self-image	A positive or negative orientation towards oneself, an overall evaluation of one's worth or value.  The Rosenberg self-esteem scale is composed of ten items and assesses an individual's feelings of self-worth when the individual compares himself or herself to other people. It is a self-reported measure, aimed at the high-school age cohort.	<a href="#">Schwarzer et al. (1995)</a>
	Self-efficacy/ confidence	Belief in one's ability to succeed in a particular situation.  The "general self-efficacy scale" assesses a general sense of perceived self-efficacy with the aim of predicting how an individual will cope with daily stresses and their ability to adapt to different life situations. Self-efficacy is believed to positively affect goal-setting, assertiveness, persistence and effort.	<a href="#">Schwarzer et al. (1995)</a>
	Communication skills	Ability to convey information effectively so that it is received and understood; appropriate verbal/non-verbal communication with colleagues, managers and customers/ others.  The "communication scale" is designed for youth aged 12–18 and assesses youth's ability to communicate, focusing on the following skills: awareness of one's own styles of communication, understanding and valuing different styles of communication, practising empathy, adjusting one's own styles of communication to match others' styles, communication of essential information, interaction management.	<a href="#">Barkman et al. (2002)</a>
	Problem solving	Ability to identify problems and devise solutions.  The "solving problems scale" is a 24-item scale which assesses youth's problem-solving abilities by examining the frequency of use of the following skills that are needed to engage in problem solving: (1) identify/define the problem; (2) analyse possible causes or assumptions; (3) identify possible solutions; (4) select best solutions; (5) implement the solution; (6) evaluate progress and revise as needed.	<a href="#">Barkman et al. (2002)</a>

### Box 2.8: Assessing the skills gap

When talking about a skills gap, this indicates that there is mismatch between the skill level of young people looking for jobs and the type of skills that employers require. Recording unfilled vacancies alone does not give an indication of the size of the skills gap, because many other factors, such as seasonal fluctuations or the sheer number of applicants, can influence that result. Only vacancies that are hard to fill due to the quality of applicants can be considered as indicative of a skills gap. These shortages can either be attributable to a mismatch in the educational level of jobseekers, a lack of experience or a lack of specific skills. Even if it is not possible to obtain reliable information from employers about the specific reasons for unfilled vacancies, the distribution of vacancies across occupations and educational fields can be indicative (see [Řihova, 2016, p. 73](#)). A large number of vacancies in one specific sector of the economy can indicate horizontal skills mismatch. Another channel for detecting this situation is to identify changes in the median wage by occupation. If the median income is rising in one particular sector compared to the dynamics in other sectors or the overall median, this can point to a skills gap.

## Box 2.9: Measuring empowerment in rural settings: Women's Empowerment in Agriculture Index (WEAI)

### Background

The WEAI is an example of a broad empowerment measure that covers five different dimensions of empowerment and is particularly recommended for projects in a rural context, especially if they have a link to agriculture. It has been collaboratively developed by the International Food Policy Research Institute (IFPRI), the US Agency for International Development (USAID) and the Oxford Poverty and Human Development Initiative. It was developed in 2011 and 2012 and has been extensively piloted and validated. For more information on the index see [Alkire et al. \(2013\)](#).

### Dimensions of the WEAI

The WEAI covers five dimensions of empowerment and allows for a holistic and integrated approach to empowerment. Three of the dimensions, “production”, “access to resources” and “income”, are linked to economic empowerment, but the remaining two dimensions, “leadership” and “time use”, contribute to a broader understanding of empowerment. The economic dimensions of the index are strongly oriented towards agriculture: autonomy in production and input in decisions concerning production are the subcategories of production, referring mainly to trade-offs between food and cash-crop farming or livestock. This limits the applicability of the index in other settings, as decisions about entering the labour market or the chosen field of specialization that are important in other economic sectors cannot be captured. Limiting the WEAI to the domain of agriculture does, however, allow for a particularly precise measurement of empowerment.

### Data collection in the WEAI

The WEAI is computed using a tailor-made household survey that has to be administered to one female and one male respondent in each participating household. The length of the survey (14 pages, taking about two hours to complete) as well as the need for trained interviewers makes the WEAI a resource-intensive index. Based on feedback from piloting the WEAI, the need for a shortened and easy-to-apply index has been identified. Malapit et al. (2015a) developed the Abbreviated Women's Empowerment in Agriculture Index (A-WEAI). In the A-WEAI, the original ten sub-indicators are reduced to six and the survey takes about 30 per cent less time to administer.

### Calculating the WEAI

In the WEAI, empowerment is measured using the five dimensions discussed above and is computed directly in the “five domains of empowerment” (5DE) measure. Additionally, the gender parity index (GPI) is computed, which reflects whether women and men are equally empowered and, if there are differences, how large and in which dimensions these differences are found. This is an important factor because it might be the case that both women and men lack autonomy in their decision-making due to limited resources or other constraints.

Both the 5DE and the GPI range from zero to one, where higher values correspond to higher levels of empowerment. The measures allow for a finely grained distinction between different levels of empowerment, because the index will take a different value dependent on the number of dimensions in which women are disempowered. The weighted sum of both the 5DE and the GPI forms the WEAI score.<sup>4</sup>

### Methodological innovations

Indices of empowerment tend to be administered only to women. This has the drawback that the relative autonomy of men in the same household cannot be assessed. In cases where all members of the community lack autonomy, assessing only women's empowerment can therefore be misleading. By computing both the 5DE, which can be considered to be an individual empowerment scale, and the GPI, which assesses relative empowerment, this problem is solved in the WEAI.

### How to apply and administer the WEAI: Pilot study

Women's empowerment can be an aim in itself, but it can also be considered as an approach that fosters children's nutrition and well-being, as well as a source of economic growth. This is examined in the case study by [Malapit et al. \(2015b\)](#) on the impacts of gender equity on agricultural production and dietary diversity for women and children. The study looked at the development of child nutrition in Nepal over a ten-year period. The main outcomes are maternal and children's dietary diversity as well as the maternal body mass index (BMI) and child anthropometry. One notable aspect of the study was the decision to test each of the five dimensions of the WEAI both separately and jointly to determine their effects. In the empirical model, women's empowerment is instrumented through the ratio of female and male newborns, as well as the distance to the local market to ensure that the effect of empowerment on nutrition is not driven by a common third variable. The study found that empowerment in general is a predictor for the nutritional outcomes, but that predictive power varies widely by empowerment dimension. Income effects are insignificant, while autonomy in agricultural production and hours worked have a positive and significant impact on both maternal and children's dietary diversity. The disparate findings across dimensions show that it is important to take different dimensions of empowerment into account. Measuring only one aspect of empowerment might lead to under- or overestimation of the outcomes of the intervention.

Source: [Malapit et al.\(2013\)](#)

<sup>4</sup> For detailed information on the calculation of WEAI scores, see <https://www.ifpri.org/weai-training-materials>

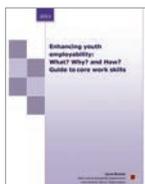


## KEY POINTS

1. **Youth labour market indicators can be disaggregated by age, gender and rural/urban location.** The ILO uses the United Nations definition of a young person as between the ages of 15 and 24 years old; however, different youth interventions will have different age requirements, depending on the national context.
2. **Employment opportunity outcomes refer to the quantity of jobs created through a youth employment intervention,** with the primary indicator being the employment rate of project beneficiaries. The ILO defines employment from a people-centric perspective (i.e. is an individual employed, underemployed or unemployed), while other institutions focus on a job as the unit of analysis, using measures such as the full-time equivalent (FTE).
3. **Job quality is a multidimensional concept, covering both the employment relationship and the work content itself.** Outcome indicators can be selected across aspects related to the employment contract, remuneration, working hours, social protection and social dialogue. One of the most common concepts to be measured is earnings – cash and in-kind payments to employees for time worked or work done, together with remuneration for time not worked, such as annual vacation, other types of paid leave or holidays.
4. **The match between individual skills and employers' job requirements is crucial to determining job prospects for young people.** A key measure of access to employment is labour force participation, which assesses the extent to which the population is economically active – either employed or actively looking for work. This is an important measure to monitor for those projects which are not solely focused on employment but are also concerned with the activation of young people to search and apply for jobs.
5. **Measuring young people's progress and advancements in their work-related skills level is a topic of ongoing debate** and there is as yet no consensus on the most accurate methods for measuring work skills. A common feature of most skill definitions is to distinguish three types of skills, although these are labelled differently according to organization and context. The ILO distinguishes basic, technical and core skills (sometimes including a fourth dimension of personal/professional skills).



## KEY RESOURCES



- Brewer, L. 2013. *Enhancing youth employability: What? Why? And How? Guide to core work skills* (ILO, Geneva).



- ILO. 2013c. *Decent work indicators: Guidelines for producers and users of statistical and legal framework indicators* (Geneva).



- Keese, M.; Tan, J.P. 2013. *Indicators of skills for employment and productivity: A conceptual framework and approach for low-income countries*, a report for the human resource development pillar of the G20 multi-year action plan on development (OECD, World Bank, ETF, ILO and UNESCO).



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- ▶ Řihova, H. 2016. *Using labour market information: Guide to anticipating and matching skills and jobs* (ILO, ETF and CEDEFOP).

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**Case study:**

## **SELECTING INDICATORS FOR THE NORTHERN UGANDA YOUTH ENTREPRENEURSHIP PROGRAMME**

This case study is based on "External Evaluation of YDP and NUYP Programmes: Final Evaluation Report, 23<sup>rd</sup> September 2016" and "Northern Uganda Youth Entrepreneurship Project Review 2013-2016"

## Learning objectives

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

- ▶ identify the relevant dimensions of youth employment, selecting from dimensions of employment opportunities, employment quality, employment access and employment skills
- ▶ be able to navigate and select from a “menu” of indicators based on the objectives and design of the youth employment intervention.

## Introduction and case study context

Uganda has one of the fastest-growing populations in the world. Over three-quarters of Ugandans are under the age of 30, implying a demographic with great economic and social potential. Yet, many young Ugandans frequently find themselves without opportunities for sustainable work. Unemployment, underemployment and working poverty are widespread phenomena. Young women, in particular, face social and economic barriers due to cultural norms and sexual harassment and discrimination.

In Northern Uganda, a 20-year long civil war has left the local population with additional economic, social and psychological challenges. Young people suffered disrupted schooling and communities were displaced. The legacy of war continues to limit opportunities in the labour market. Youth unemployment rates are high. Employment in the informal sector is common.

The Government of Uganda has put in place a policy to promote the development of micro,

small and medium-sized enterprises (MSMEs) to become the main vehicle for expanding production, providing sustainable jobs and enhancing economic growth. A new MSME Directorate in the Ministry of Trade, Industry and Cooperatives saw entrepreneurship education and training as one means to remedy the problems faced by young people in Northern Uganda. It recognized the lack of wage and salaried employment opportunities in the private sector and sought to build participants' capacity to start up income-generating activities and become self-employed. To this end, the UK Department for International Development (DFID) supported the Government's objectives by funding the Northern Uganda Youth Entrepreneurship Programme (NUYEP).<sup>5</sup>

This case study focuses on choosing appropriate labour market indicators relevant for young people to use in the monitoring and evaluation frameworks of NUYEP.

<sup>5</sup> NUYEP was implemented by Enterprise Uganda (EUG), in partnership with Youth Business International (YBI), and ran between 2013 and 2016.

## Selecting indicators

NUYEP aims to support 10,500 beneficiaries, 80 per cent of whom are youth (for the purpose of this project defined to be person between the ages of 18 to 35). The programme targets five conflict-affected sub-regions in the North of Uganda with the aim of improving the livelihoods of young people and their households through entrepreneurship.

Analysis conducted by NUYEP during the programme design phase revealed that previous interventions in the sub-regions focused on children, women and people with disabilities, while youth needs were largely ignored. Furthermore, a survey of female youth by UNICEF showed that incomes and employment among young women are especially low, with the majority of young women having earnings below the absolute poverty line. Young women with children, orphans, single mothers, former abductees and victims of gender-based violence were identified as the groups most in need of livelihood interventions.

The NUYEP approach emphasizes starting and running an enterprise to transform unemployed and underemployed youth and their household members into business owners with an improved flow of income. The programme is based on a six-stage cycle:

- ▶ Stage 1: Entrepreneurship awareness and mobilization
- ▶ Stage 2: Business and Enterprise Start-up Tool (BEST), mass training workshops
- ▶ Stage 3: BEST follow-up workshops, offering follow-on support
- ▶ Stage 4: Specialized business skills clinics
- ▶ Stage 5: One-on-one volunteer mentoring and business counselling services
- ▶ Stage 6: Linkage to finance, with a focus on savings and investment clubs and savings and credit co-operatives (SACCOs).

Participants comprise individuals who are willing to invest an initial amount of their own money to receive the Business and Enterprise Start-up Tool, which is delivered through mass-training events of up to 800 participants in a purpose-built marquee over five days. The “high flyers” then self-select to receive more intensive levels of support during Stages 3 to 6.

These outputs are expected to lead to the main outcome of the project, which is the creation and expansion of 6,000 youth- or family-owned businesses in Northern Uganda, of which 1,000 will create additional jobs. This is expected to contribute to creating a peaceful and productive youth population with improved livelihoods in Northern Uganda.



## Discussion Topics

1. NUYEP wants your help to select appropriate outcome and high-level goal indicators to measure the success of their project. The first step is to decide which key dimension of decent jobs to measure. Which would you recommend – and why?
2. Which indicators would you recommend that NUYEP measures?
3. NUYEP needs particular help with “employment opportunities”. They want your guidance on how to define and measure each key indicator. What would you advise?











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