ABCs OF MSD: Y IS FOR… YOUTH EMPLOYMENT

Justin van Rhyn

The scale of the youth employment challenge is staggering, particularly in Sub-Saharan Africa, where up to 12 million young people enter the labour market each year, while just 3 million formal jobs are created.[1] Because most of these young people can't afford not to work, the outcome is underemployment and working poverty on a huge scale, with the most marginalised usually the hardest hit.

There is also a growing response underway. African governments are increasingly positioning job creation as a policy priority, researchers are building the evidence base on 'what works' and the development community continues to invest in youth employment programming. But as attention grows, is there also a growing risk that well-intentioned activities pull in different directions?

I had the opportunity to think about this challenge – and whether MSD offered any answers – as part of an assignment to develop a _Rough Guide to MSD and Youth Employment in Sub-Saharan Africa_ this year. The work provided an interesting 'helicopter view' from which I share the following observations:

We need to keep sharpening our understanding of the young people our programmes are built around

Different groups of young people can have very different experiences regarding work, but you might be surprised at how often everybody ends up grouped under a single, catch-all 'youth' banner.

The _Rough Guide_ offers suggestions on defining target segments of young people using characteristics like sex, urban versus rural location and employment status, and some pitfalls to avoid (I once worked on a project that applied so many characteristics that we struggled to find actual people that met all our criteria).

Once there's a target segment in mind, it pays to get to know this group. This applies equally to donor and implementer staff and is twice as important for people who aren't from the target segment. As we do this, there are a few things to keep in mind:

- Informal norms[2] can be difficult to get to grips with, and are sometimes even more difficult to influence, but are often fundamental to the target segment's experiences and challenges concerning work. Examples might be societal attitudes towards young women and employment, or discrimination in the labour market based on characteristics like ethnic group or disability. One project set out to get young refugees into work, discovering later that many employers in the area were unlikely to hire from this group based on entrenched negative perceptions.
- Participation of young people from the target segment in project design and delivery can offer a window into their world, particularly if this is part of a longer-term commitment to building their skills and influence within the project.[3]
- We need to watch out for our own biases and assumptions. Not everybody wants that formal job and not everybody will be interested in, or be able to attend, our training offer.

Setting clear employment priorities – and sometimes making difficult trade-offs – lays the foundation for a targeted strategy

I found the Jobs Triangle[4] to be a helpful framework that considers employment outcomes in terms of more jobs, better quality jobs, and better access to jobs.

While a dream result would be achieving all three outcomes, sustainably and at scale, the reality is that this may not be viable in every context. Sometimes trade-offs are inevitable. For example working to create better

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[1] AfDB (African Development Bank) (2019), 2019 African Economic Outlook, AfDB, Tunis.

[2] See Rachel Shah's excellent post on informal norms

[3] A helpful resource is the Meaningful Youth Participation Toolkit by Youthatheart/Dutch MFA

[4] Farole, T, Sanchez Puerta, M.L., Sole Canut, A., Rizvi, A. (2018). _Jobs in Value Chains Survey Toolkit._ World Bank, Washington, DC.

quality jobs in higher productivity sectors may mean sacrificing some scale over the short term. Focusing on shorter-term livelihoods for the most marginalised young people might mean trading off some quality.

Rather than shying away from these trade-offs or doing gymnastics with our theories of change to make competing priorities fit together (I've been there on both counts) there's an opportunity here for funders and implementers to work together to define realistic outcomes for the context. This includes checking and re-checking assumptions, for example on the extent of local labour market services, economic trends in the target location, and the informal norms affecting participation of the target segment.

Defining clear and realistic outcomes might be the most important thing we do on our programmes. Getting it right sets the conditions for a targeted strategy and has a knock-on effect on everything from sector selection through to composition of the programme team.

Starting the diagnostic process in the youth labour market system helps point us towards the problems that matter most in the context

Two of the most frequently asked questions during the *Rough Guide* research were a) how to think about the youth employment system and b) where to start analysis.

The approach we landed on was to position the youth labour market as the primary system, with economic sectors (wage employment and/or self-employment) on the demand side, together with the handful of supporting functions and rules with the biggest impact on labour market performance for the target youth segment.

This is not the only way to think about it. But one benefit of this approach is that it pushes us to think about the 'big picture' labour market issues from the very start. For example, what are the headline supply-demand dynamics (and does the pattern of large-scale underemployment hold true)? Who's working and who isn't? Which sectors are adding and losing jobs?

Armed with this information we can start to investigate themes that matter in the context, even if this means looking outside our comfort zones for answers and start to bring different perspectives together around a shared framework. This might mean reminding people with sector-based MSD experience to think about links with the labour market and encouraging skills practitioners to dig into the underlying reasons for low youth labour demand.
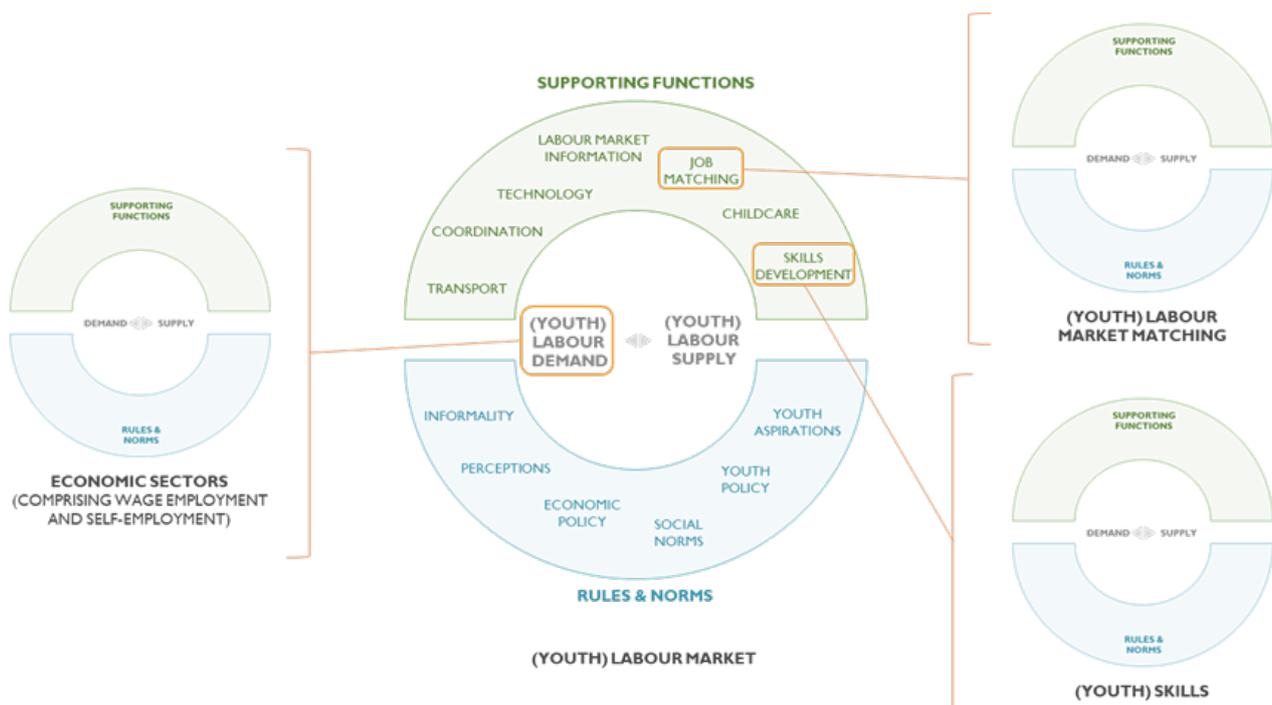

Figure 1: An example youth employment system

We probably need to manage our expectations of sustainability and scale

Creating a job is hard and expensive.[5] Creating a good quality job even more so. Doing this on a large scale, in a way that keeps going over the long term is both the ultimate ambition and a challenge that nobody has cracked (yet).

I noticed that sustainability and scale – two MSD fundamentals – are interpreted quite differently across the youth employment landscape. This might present an opportunity to work towards a shared perspective, but we may also need to adjust some of our expectations along the way. For example:

- **Job creation targets:** A systemic approach to creating youth jobs (particularly formal wage work) means addressing deep-rooted demand-side challenges (e.g. slow firm growth) and supporting functions (e.g. deficient education systems). This is a long-term process, with job creation arguably more of a step-change than the incremental pursuit of higher incomes. Setting job creation targets too high can take focus away from systems change and towards more heavy-handed and less sustainable approaches.

- **Expectations of sustainability:** Sustainability of supporting functions like skills training and job matching can be challenging, particularly if focussing on marginalised young people in places with weak public services, few safety nets, and limited private sector presence. In these situations, we need to be realistic about what is achievable. This might involve modelling the costs of a new service (including potential longer-term funding gaps), 'right-sizing' the intervention to the context, looking for ways to drive down costs or increase value added, and building on what is already on the ground (e.g. informal apprenticeships).

What happens next?

There are two main things I'd be pleased to see coming out of the *Rough Guide*.

First, I hope there's opportunity to start field testing recommendations to find out what funders and implementers find most useful in the real world. There may be topics that need further explanation or more detailed standalone guidance, some themes may be more or less relevant than others, and there are bound to be gaps. This version of the guidance is intended to be a starting point, and I hope there's an opportunity to gather feedback with an eye on a future 'Version 2.0' *Rough Guide*.

Second, I hope the guidance can serve as a reference point for some of the different youth employment 'camps' to find common ground. There's great potential to combine the skills and perspectives of these groups around a joined-up approach and having something on paper to discuss and debate might help move this conversation in the right direction.

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[5] See Robalino, D. (2018) *How much does it cost to create a job?* World Bank Blog Post, available at: blogs.worldbank.org/jobs/how-much-does-it-cost-create-job