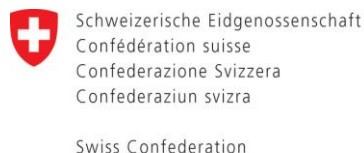
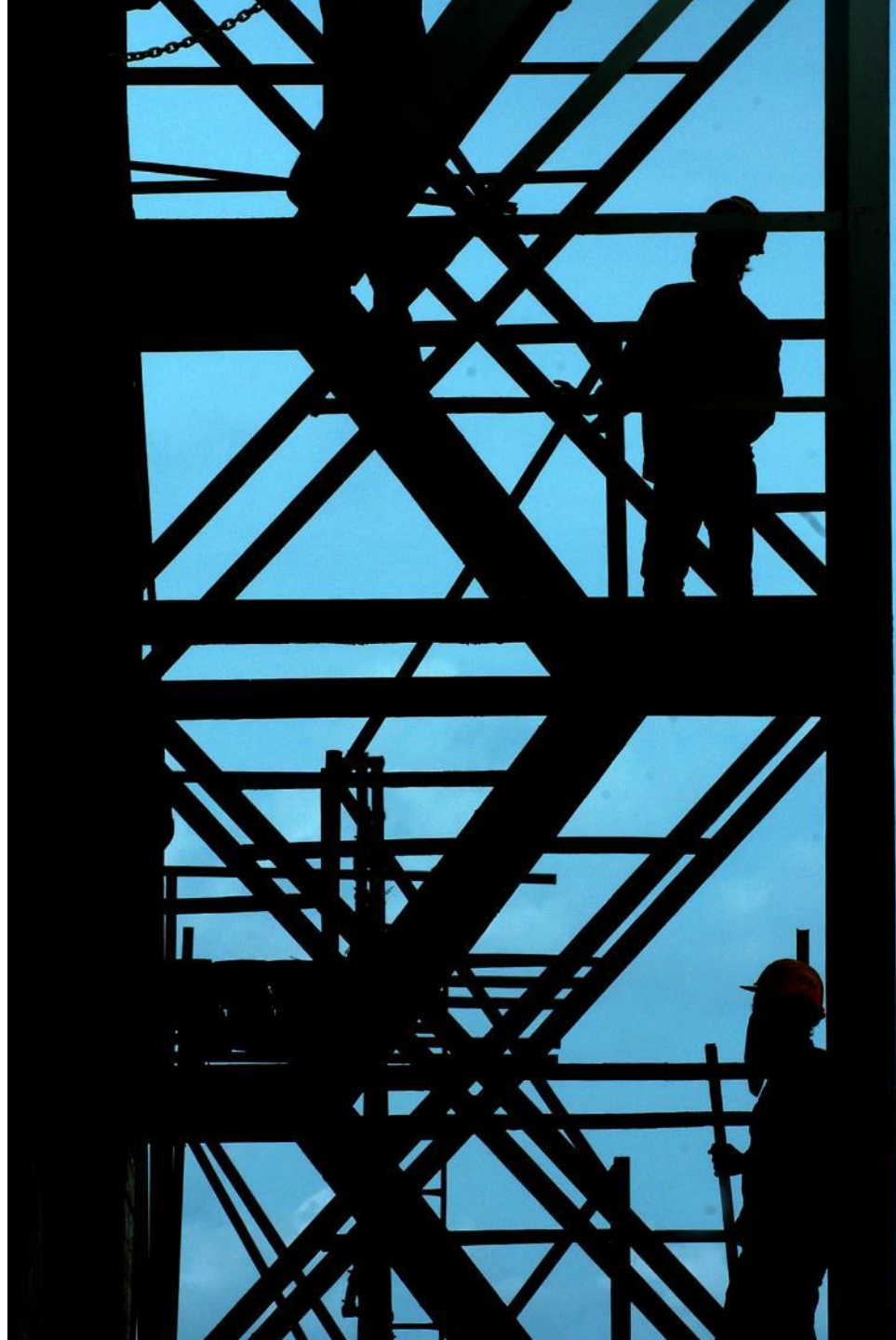


MARKET SYSTEMS APPROACHES TO BETTER URBAN EMPLOYMENT

DCED/BEAM GLOBAL SEMINAR
FEBRUARY 2018



Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO

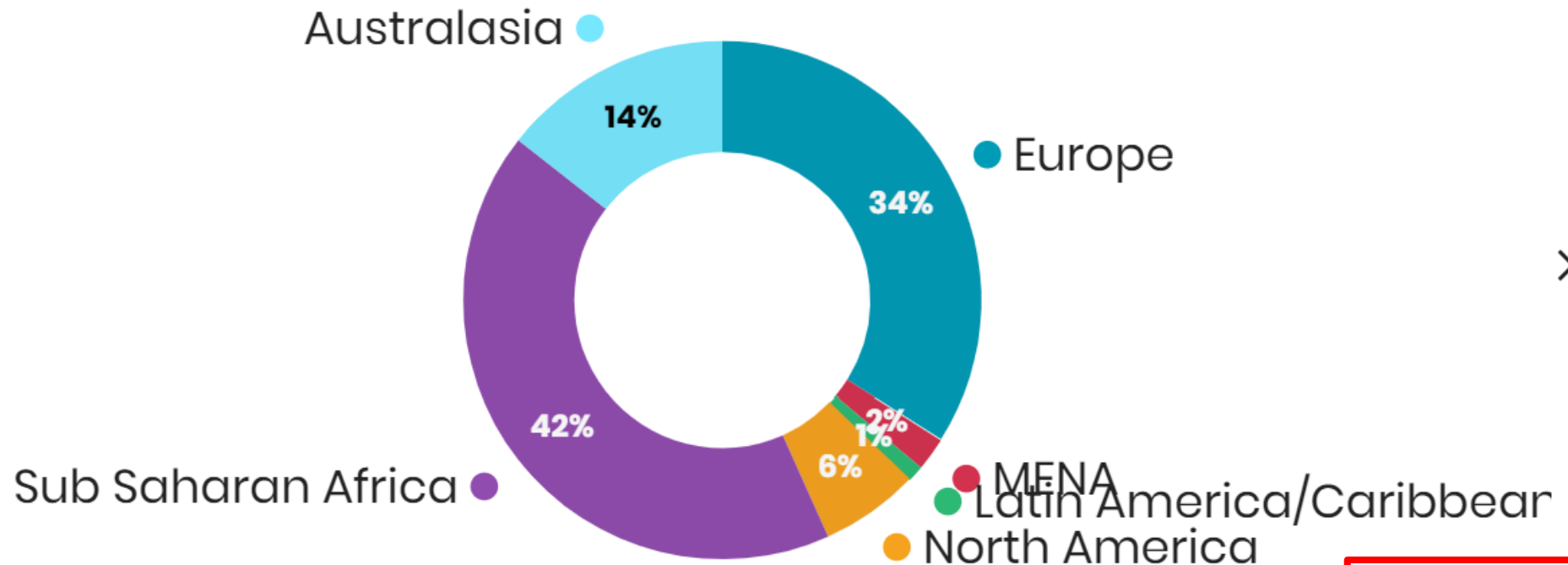


SESSION OUTLINE

- **Introduction**
 - Steve Hartrich (ILO, the Lab)
- **Market systems and job quality: What do we know?**
 - Raksha Vasudevan (MarketShare Associates)
- **Carving out a new approach for better jobs in wooden furniture in Peru**
 - Callie Ham (ILO, the Lab)
- **Youth Employee Retention in Mombasa's Micro-Retail Sector (Kuza)**
 - Leanne Rasmussen (Independent Consultant)

In what region of the world are you based?

Mentimeter

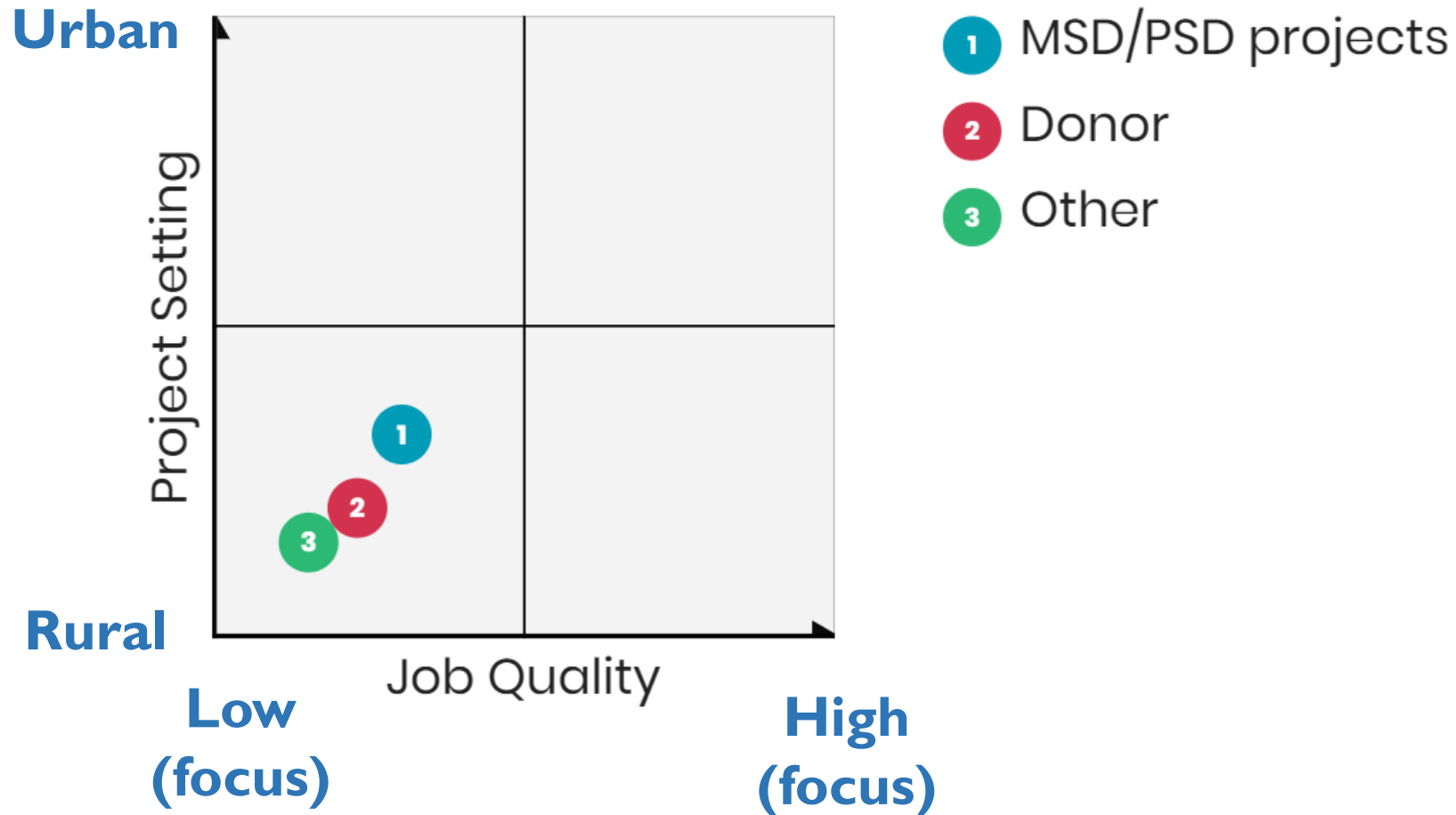


**Audience
Survey**



 **97**

What type of programmes do you most commonly work in?



**Audience
Survey**

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THE ILO LAB: BETTER MARKETS, BETTER JOBS

Objective

Global knowledge generation initiative that promotes use of the market systems approach to address decent work.

How are we doing this?

Collaborating with field projects and conducting research to develop practical practitioner examples and guidance. Flagship publications, briefs, studies, gamification.



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Federal Department of Economic Affairs,
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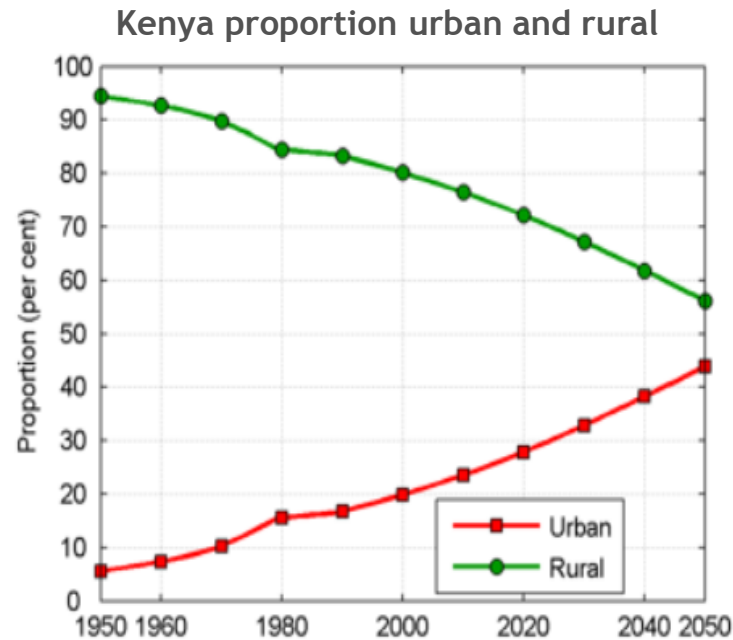
WE ARE FINDING THAT...

- Agriculture sectors covered quite extensively in MSD/PSD programming
- Less comprehensive knowledge on addressing working conditions in non-ag sectors where decent work deficits are different from those on the farm



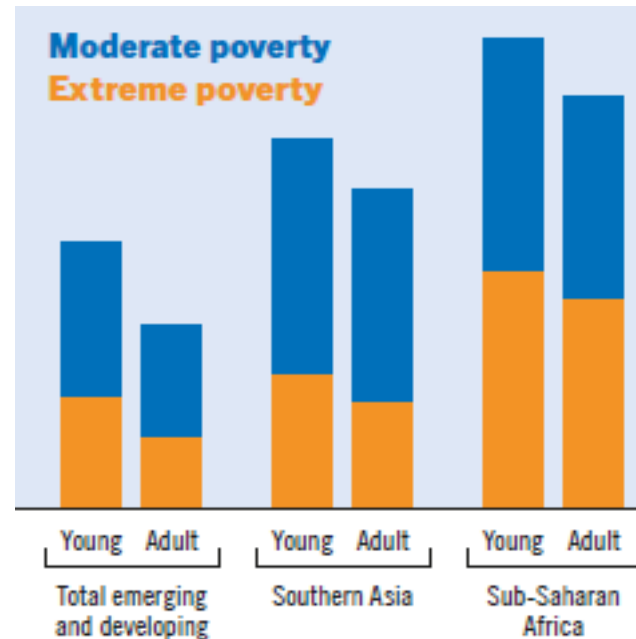
URBANISATION, YOUTH AND JOB QUALITY

- Rapid urbanisation increasing demand for off-farm work – particularly for youth – in developing countries
- 90% of global urbanisation forecast in Africa and Asia by 2050
- Youth more likely to be unemployed, working in poverty/extreme poverty and in poorer quality jobs

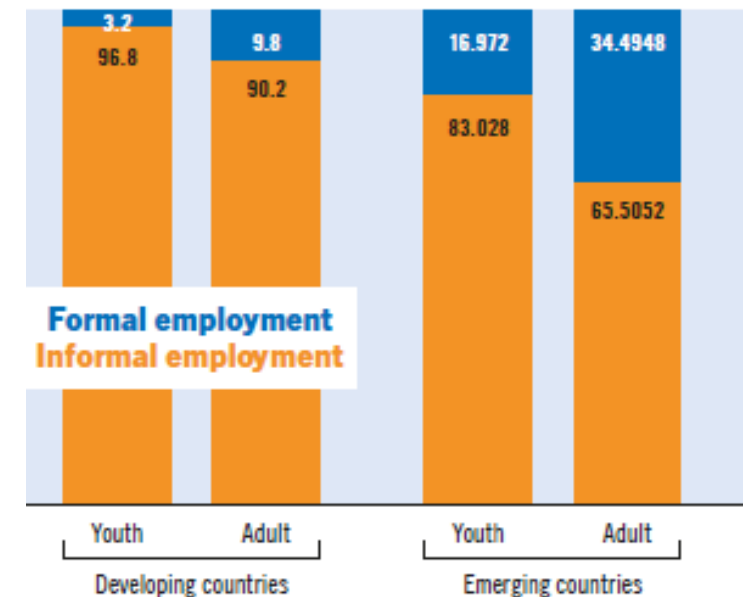


Source: UN World Urbanization Prospects (2014)

Youth/Adult worker poverty comparison



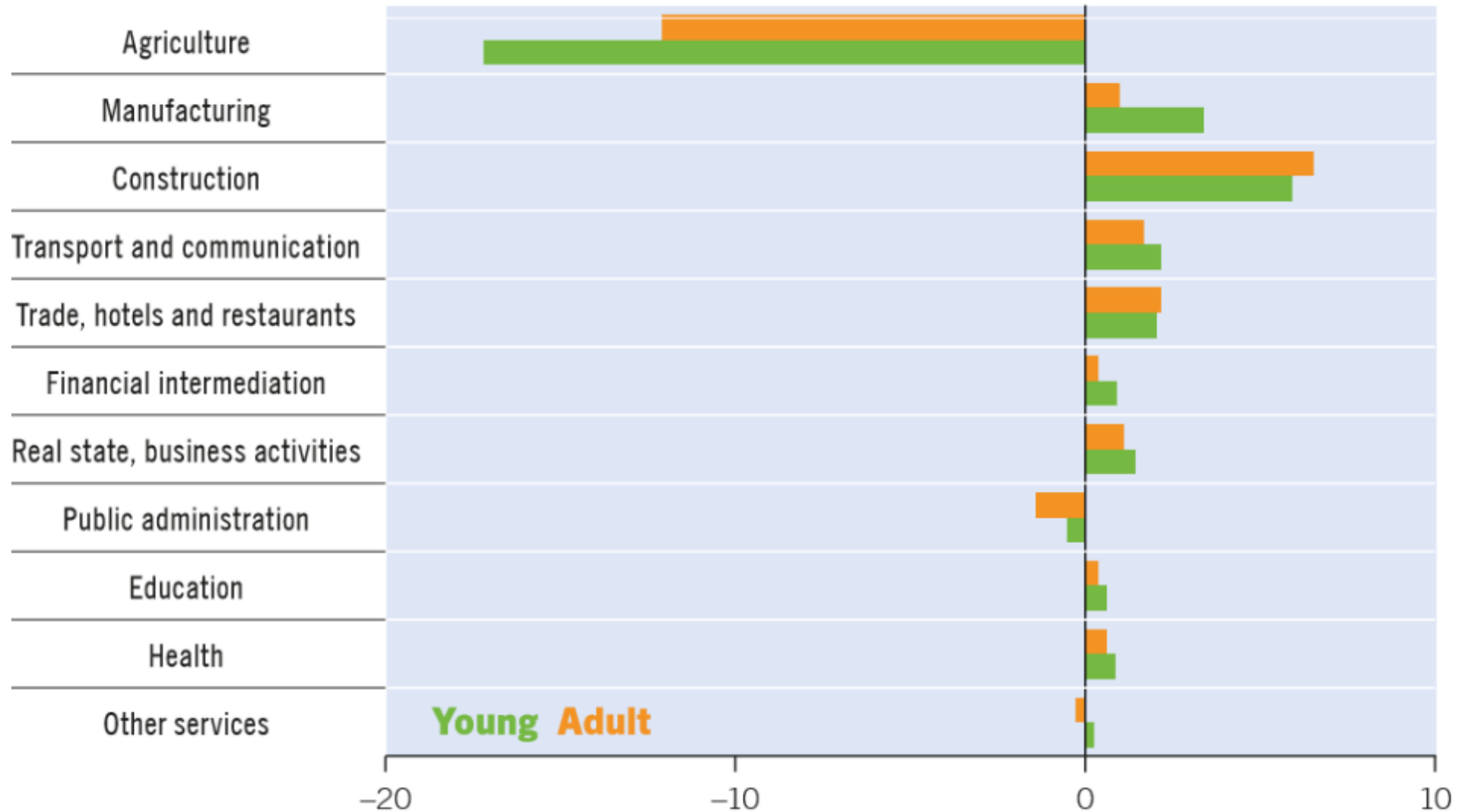
Youth/Adult worker formality comparison



Source: ILO Global Employment Trends for Youth (2017)

THE SHIFTING NATURE OF EMPLOYMENT

% Change share of employment 2005-2015, Asia & Pacific



Source: ILO Global Employment Trends for Youth (2017)

ARE WE READY FOR WHAT THE FUTURE BRINGS?

- Practitioners craving evidence that shows (how) a market systems approach can address working conditions
- Research and cases studies emerging that are looking at job quality in the urban setting (and often for youth)
- So, let's find out what we know about market systems and job quality, and what can we do about it!

Using a Market Systems Approach to Improve Job Quality: Evidence and Impacts

Research conducted by Raksha Vasudevan & Ben
Fowler of MarketShare Associates (MSA)

What is job quality?



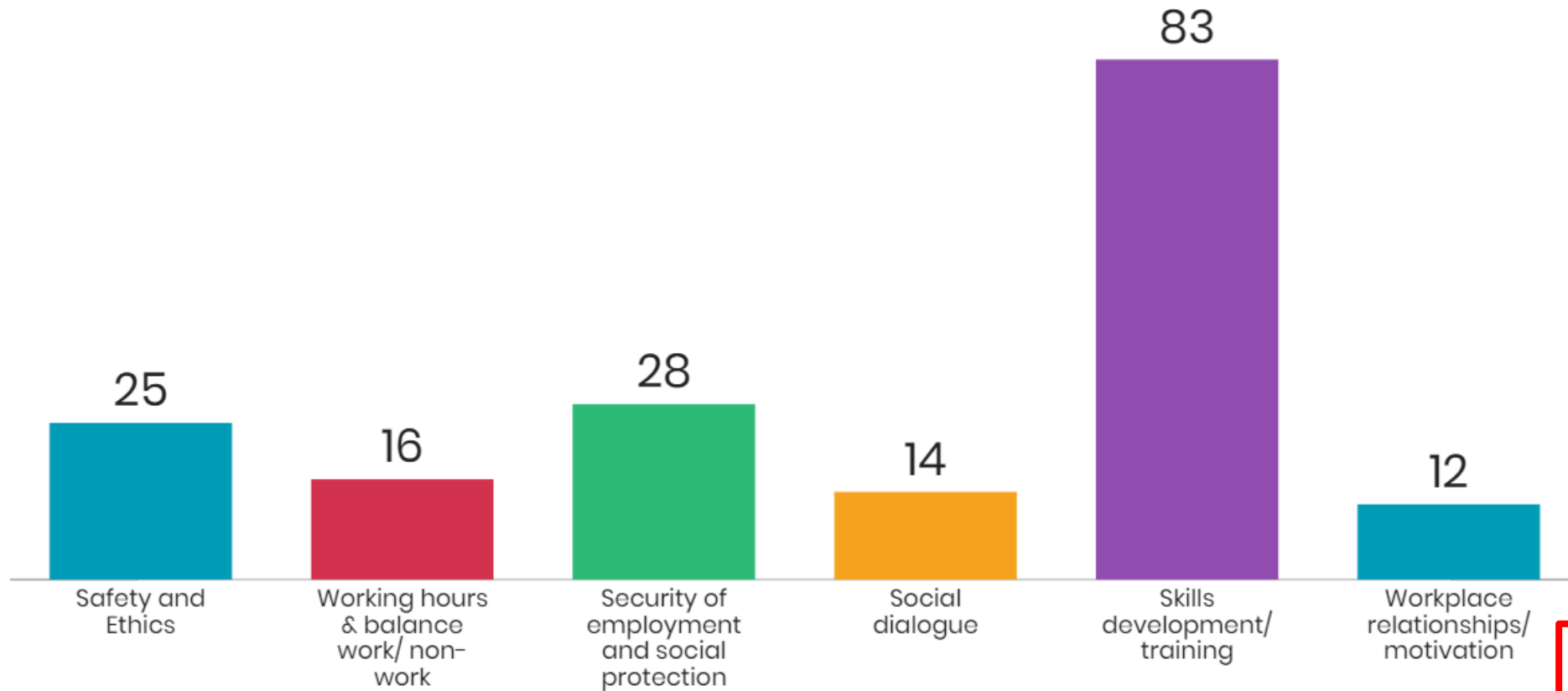
Objectives & Methodology

- Which of the 7 JQ aspects has MSD addressed? How? What have the impacts been? How strong is the evidence base?
- Initial list of 100+ MSD/‘MSD-esque’ projects → 18 selected for further review
- Criteria:
 1. Applying the principles of a MSD approach
 2. Sector diversity (beyond agriculture, including urban contexts)
 3. Focused on working conditions beyond job creation & income improvement

VOTE: Aside from JQ #2, which of these have been most commonly addressed by MSD projects?



Which two elements have been most commonly addressed by MSD projects?



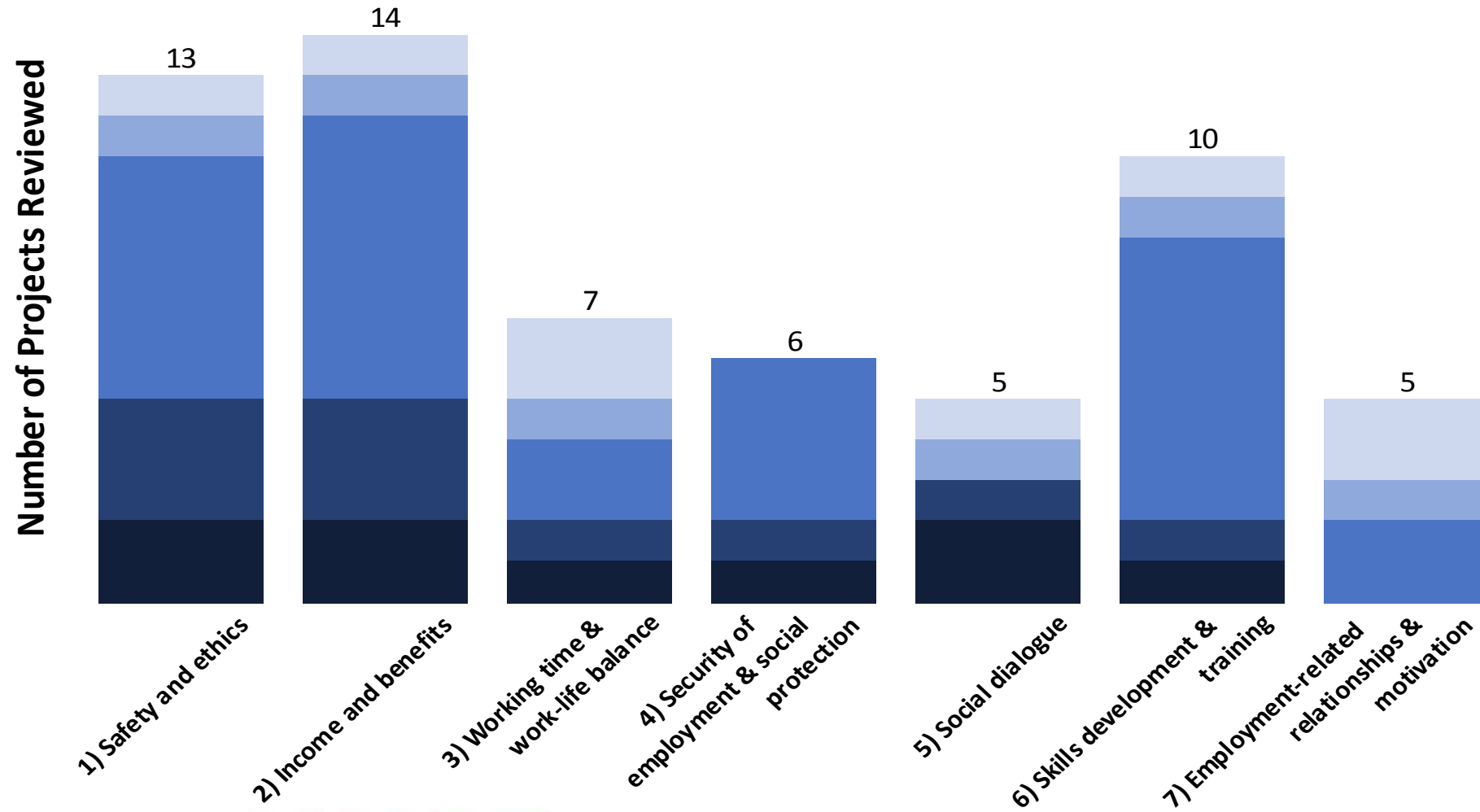
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Finding 1: MSD projects have prioritized certain working conditions



Finding 2: the strength of evidence for MSD's impacts on job quality is mostly positive, but limited



Finding 3: a few strategies have been effective at addressing job quality

- **Select the ‘right’ sectors to target**
- **Work at multiple levels of the system, on both demand and supply sides**
- **Build the business case for job quality**
- **Work with government institutions to change the rules around ‘decent work’**
- **Build adaptive management into project design**

BIF Myanmar

LEVE Haiti

ACIP Colombia

EcoVecindarios

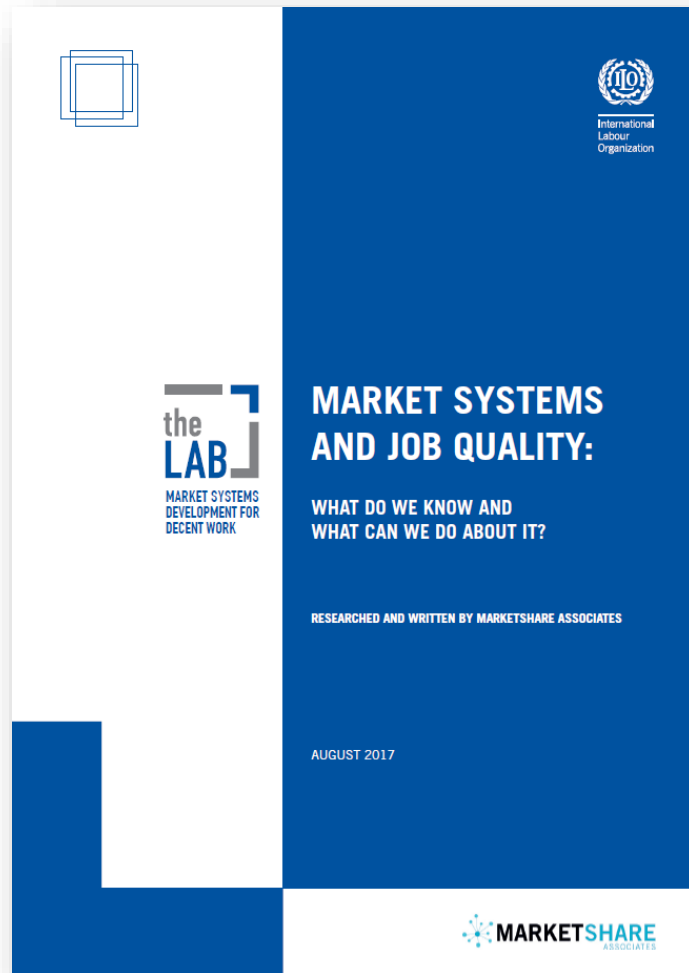
EELY Pakistan
Kuza

Other key success factors for addressing job quality

- **Clarify the priorities for target groups**
- **Think about unintended consequences**
- **Flexibility around sector & strategy**
- **Longer implementation timelines**

Want more information?

[Brief](#) (6 pages) and [full report](#) (60 pages) available on the ILO website



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Raksha Vasudevan
MarketShare Associates
raksha@marketshareassociates.com

Next steps in understanding job quality?

- **Job Measurement & Implementation Support (JMIS)**
 - 2-year DFID project to better measure, aggregate and communicate its impacts on job creation
- **Research on gaps identified through this study?**

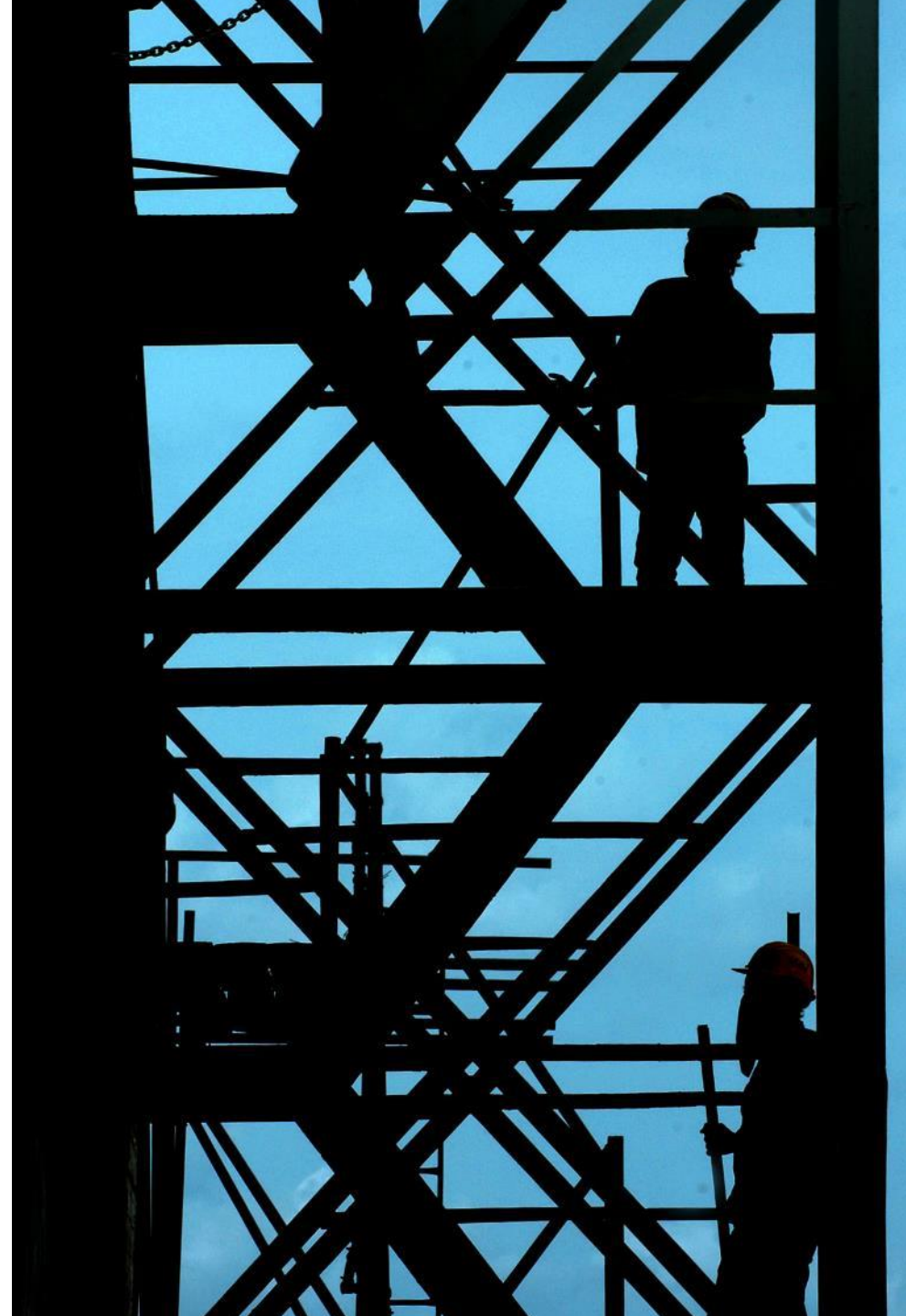
JOB QUALITY IN MARKET SYSTEMS DEVELOPMENT: A CASE FROM PERU



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Confederaziun svizra

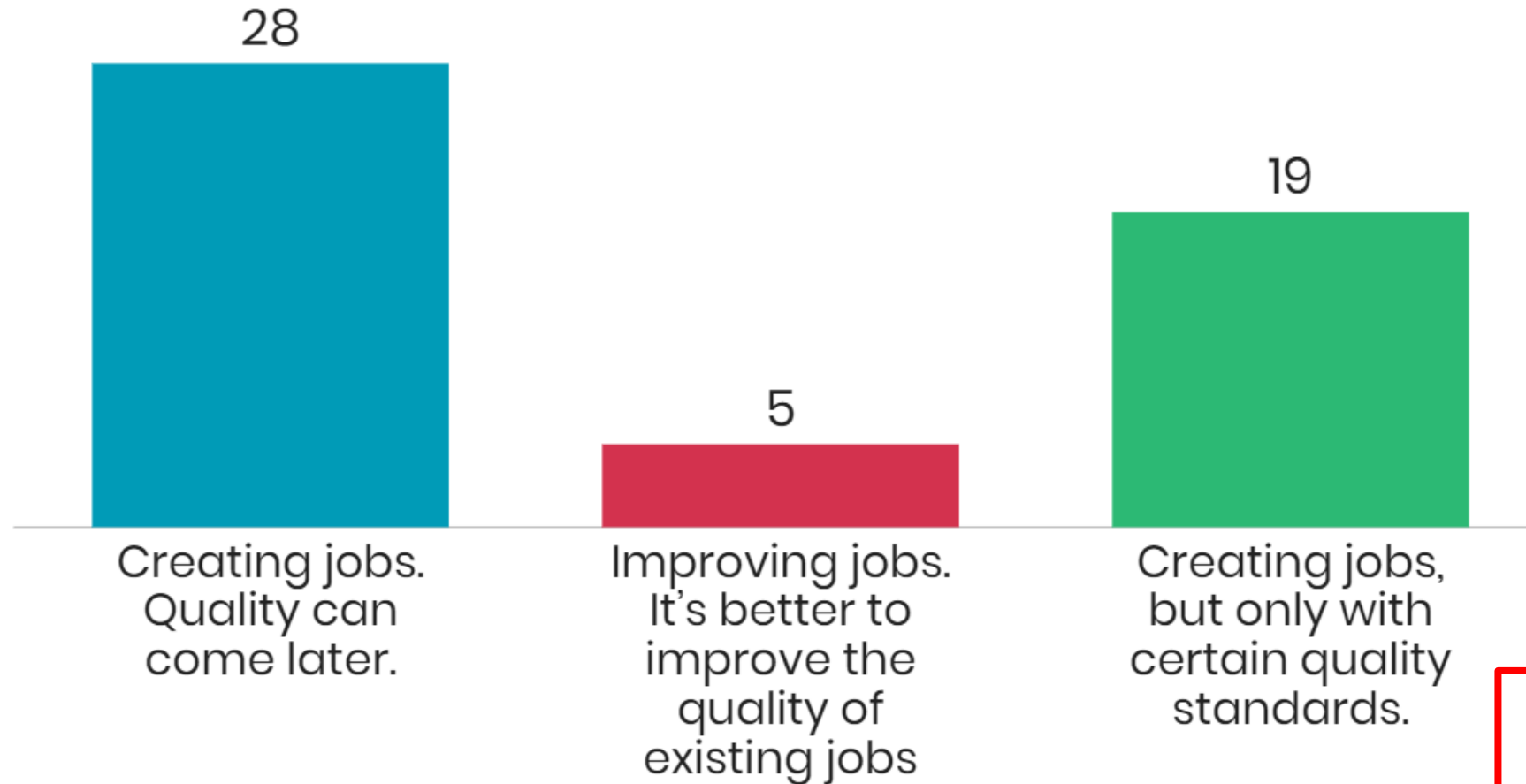
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In market development, what should be the priority?

Mentimeter



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Survey**



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WHY CARE ABOUT JOB QUALITY?

ILO Mandate: to advance opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity

“It is not necessarily that the poorest people are excluded [from labor markets] but rather that they are adversely included”

-Chronic Poverty Advisory Network blog post, May 2014

ACTION-RESEARCH IN PERU'S WOOD & FURNITURE SECTOR



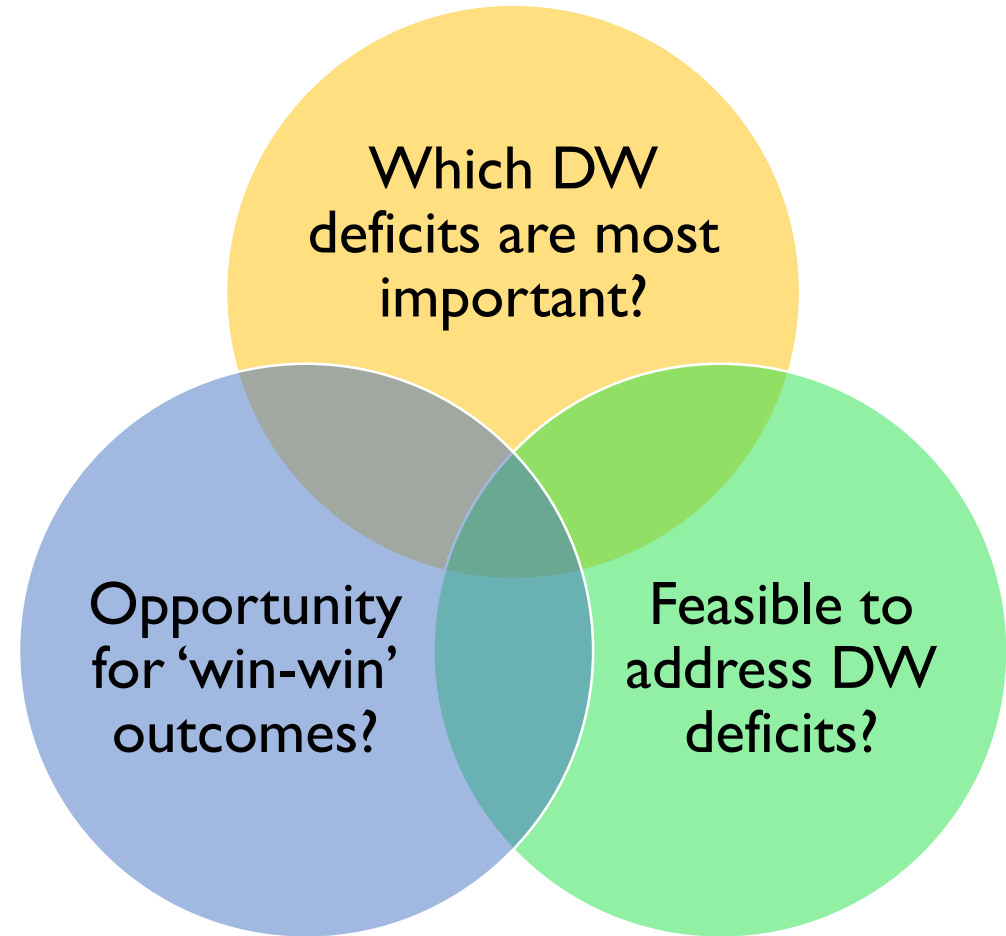
WHAT IS DECENT WORK / JOB QUALITY?



A SYSTEMS APPROACH TO JOB QUALITY



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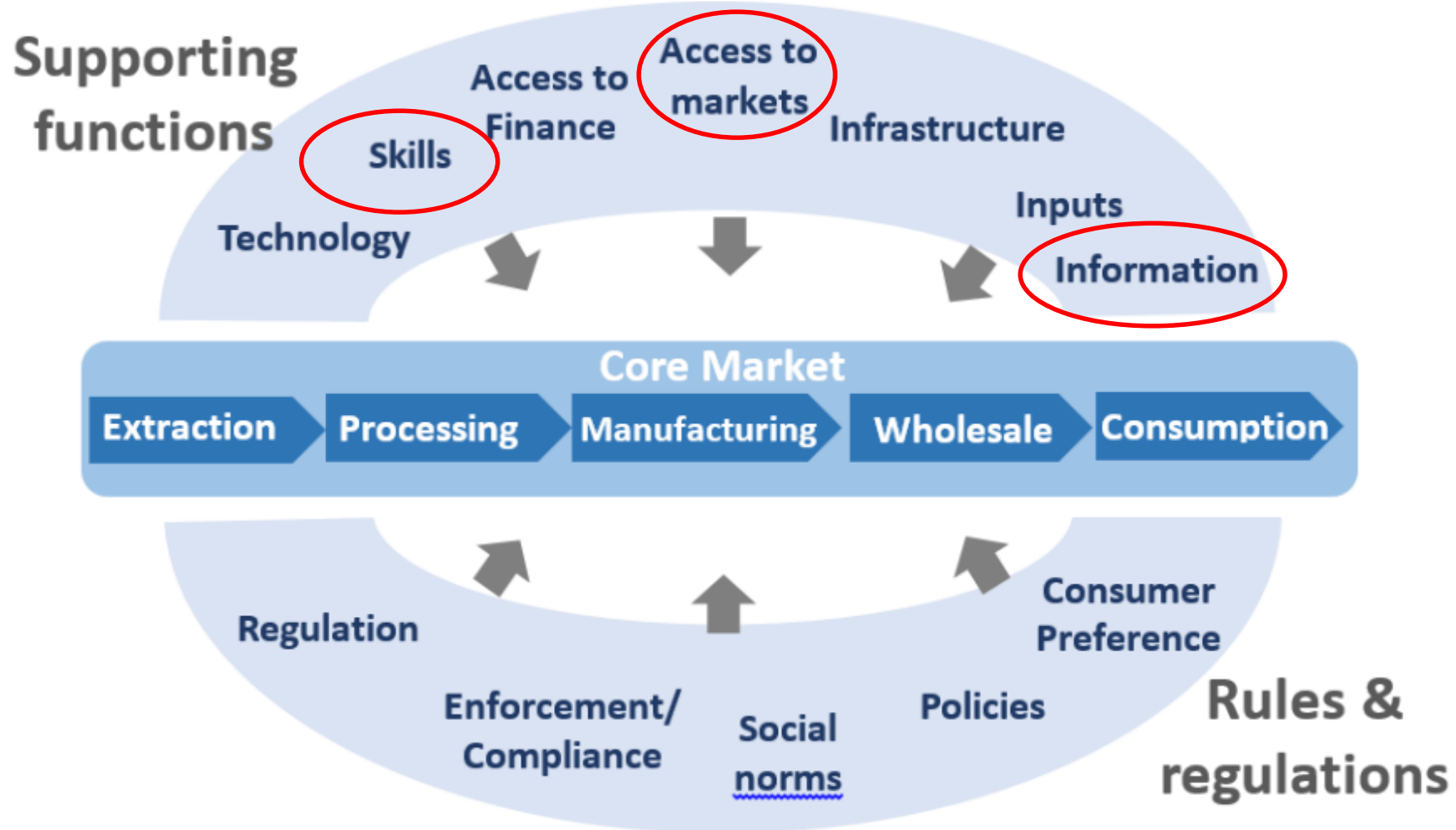


WHAT IS DECENT WORK / JOB QUALITY?



IDENTIFYING CONSTRAINTS TO TACKLE

Wooden Furniture Market System Diagram



A SYSTEMS APPROACH TO JOB QUALITY

Condition:

High labor turnover and scarce availability of formal contracts



Intervention:

Embed skills certification, jobs matching, and information services into current service offer

Win-win:

- Greater hiring confidence → better terms of employment for workers
- Reduced turnover → increased productivity

A SYSTEMS APPROACH TO JOB QUALITY

Condition:

Forestry and sawmill plants are extremely hazardous, with workers unprotected



Intervention:

Timber concession discount scheme gives financial incentive to employers to invest in working conditions

Win-win:

- Improved OSH
- Reduced operational costs of firms → higher returns

A SYSTEMS APPROACH TO JOB QUALITY

In conclusion...

- ✓ A systems approach to job quality is not all that different
- ✓ Understand the incentives linked to job quality and look for win-win solutions
- ✓ Show that good working conditions can be good for business and growth



Productive Coast, Productive Kenya

Employment & Employee Retention in Mombasa's Micro-Retail Sector:

LESSONS IN PROMOTING QUALITY OF WORK

Leanne Rasmussen

KUZA



The context

- Mombasa has 44% (or more) youth unemployment rate
- Sector selection focused on low barriers to entry for unskilled youth
- Micro-Retail: retailers of FMCGs expand their distribution through sales agents ('micro-distributors')
- Compensation commensurate with other sectors like hospitality
- **Yet most workers left within less than a month, and micro-distributors could not fill open positions**

Why?

The hypotheses

1. Social purpose

2. Opportunity to manage
and make decisions

3. Frequency of pay

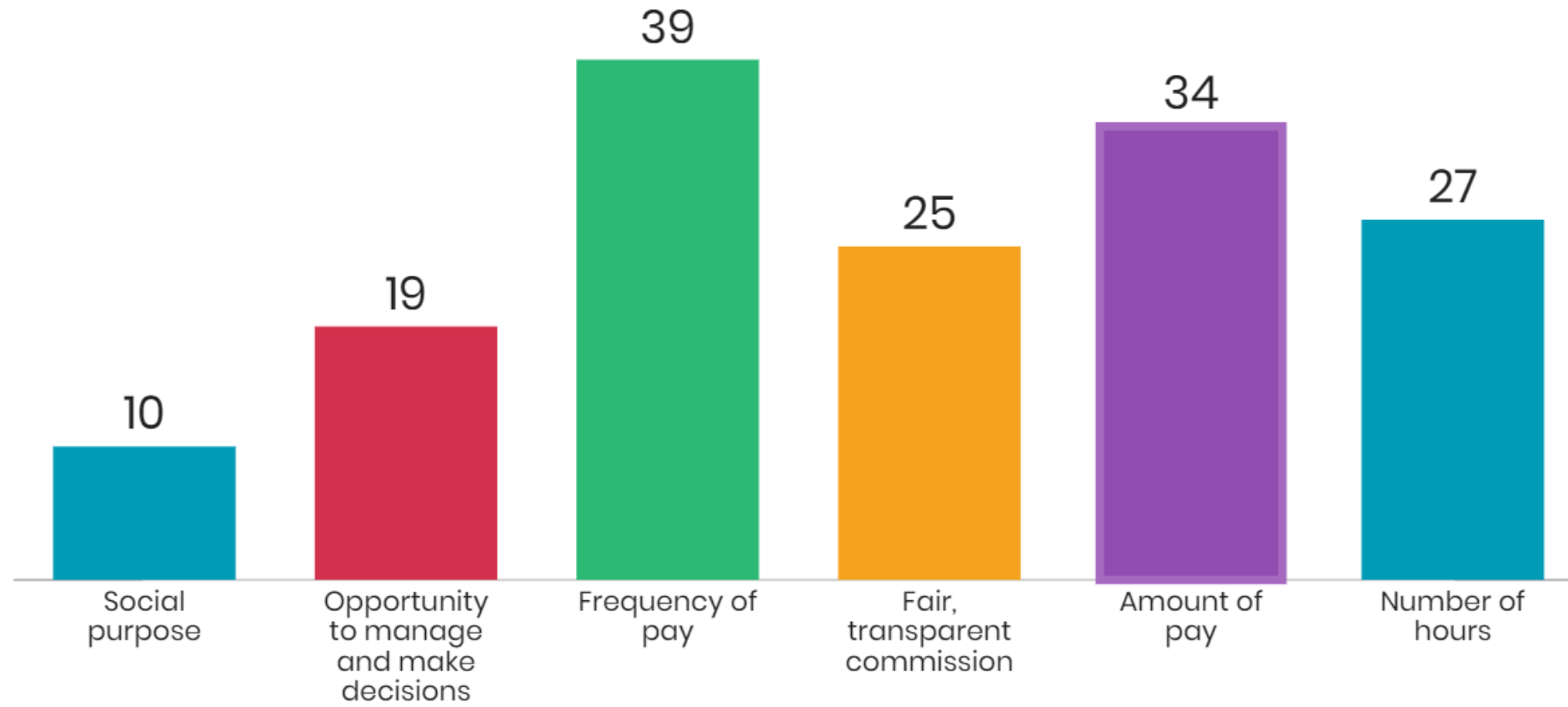
4. Fair, transparent
commission

5. Amount of pay

6. Number of hours

VOTE: Which **two factors** had the biggest impact on recruitment and retention?

Which two factors had the biggest impact on recruitment and retention?



**Audience
Survey**



The hypotheses

1. Social purpose

2. Opportunity to manage
and make decisions

3. Frequency of pay

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commission

5. Amount of pay

6. Number of hours

The experiments

Frequency and structure of pay:

1. Daily pay
2. Weekly pay
3. Daily commission
4. Daily commission + salary
5. Loan

Type of Micro-Distributor:

1. Independent micro-distribution entrepreneur
2. Youth Group micro-distributor

The results

None of the changes
in pay frequency
made a difference.



1. Social purpose

2. Opportunity to manage
and make decisions

3. Frequency of pay

4. Fair, transparent
commission

The observations

Youth groups retained sales agents **regardless of the pay structure**

One micro-distributor was more successful than all others in recruitment and retention

From further qualitative interviews....

1. Social purpose

Less social purpose in the community, but contribution to the group was important

2. Opportunity to manage and make decisions

Youth strongly valued having a say in the group's decisions

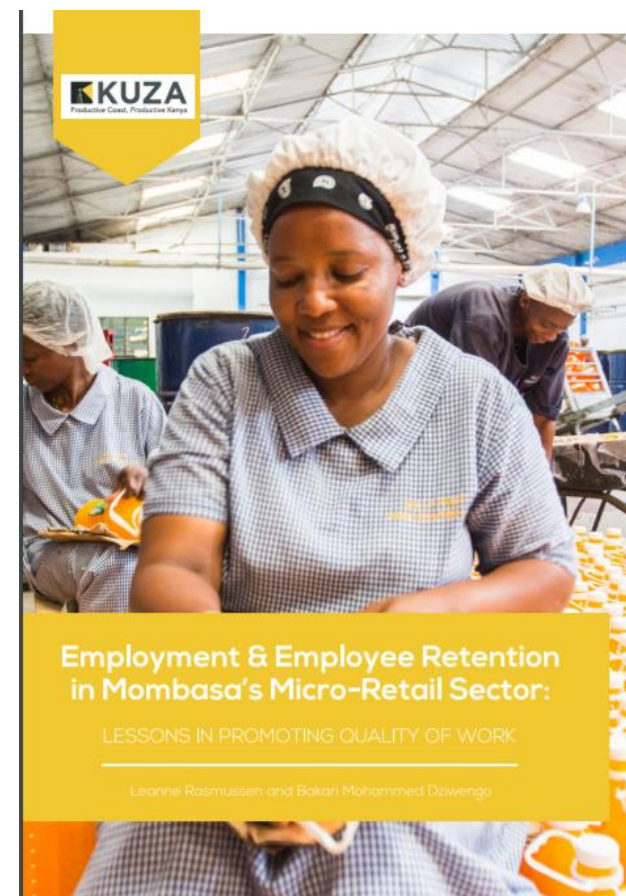
4. Fair, transparent commission

Youth appreciated knowing how much the distributor collected, and how much the agents collected



The implications

- **Not all jobs are created equal.** We need to pay attention to what *kinds* of jobs we are creating. This is not just about compensation.
- **Youth want to feel valued in their work.** Sense of inclusion, ability to influence decisions and 'be heard,' express entrepreneurial skills, etc. (Resonance with MSA's findings)
- **Local cultural factors can create tension with these job quality factors.** In Mombasa, a traditional, strict management culture dominates. We needed to think of alternative solutions.
- **Consider – but do not force – alternative ways to do business,** especially ones where youth can be managed by other youth (or more relatable managers).
- **Think about these things early!** Talk to people, test hypotheses, and learn early on about what motivates youth.



Thanks!