

# Employment Impact Assessment (EmplA) in the Employment Policy Department

## An overview

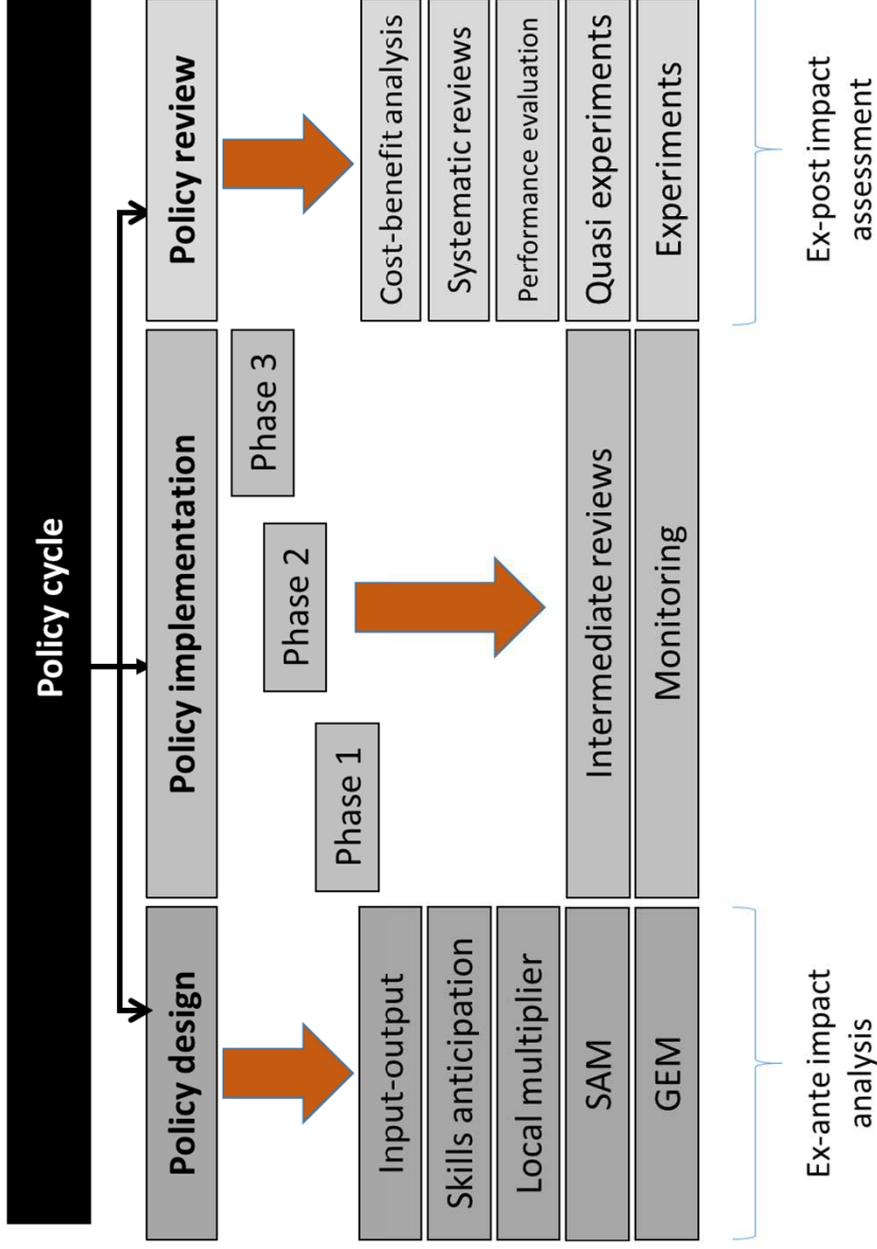
Task Force on EIA

Juan Chacaltana, Matthieu Charpe, David Kucera, Maikel Lieuw-Kie-Song, Drew Gardiner, Kee Beom Kim, Niall O'Higgins, Bolormaa Tumurchudur-Klok, Johannes Weiss

# 1. The methods. The reference guide of EmplA

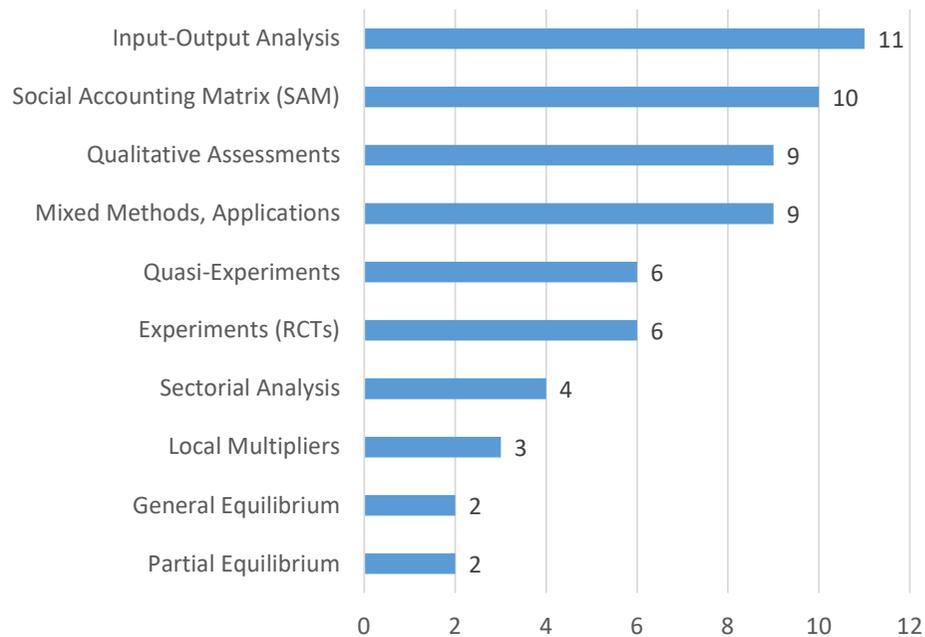
- A review of the Employment Policies Department practice
- A diverse set of methods
  - General Equilibrium Models (GEM)
  - Input–Output Analysis (IOA)
  - Social Accounting Matrices (SAM)
  - Growth Decomposition Methods
  - Local Multipliers
  - Sectorial Identification
  - Experiments (RCTs)
  - Quasi–Experiments
  - Meta Analysis
  - GIS
  - Skills Prospection (Anticipation)
  - Intermediate Reviews / Monitoring

# Employment impact assessment

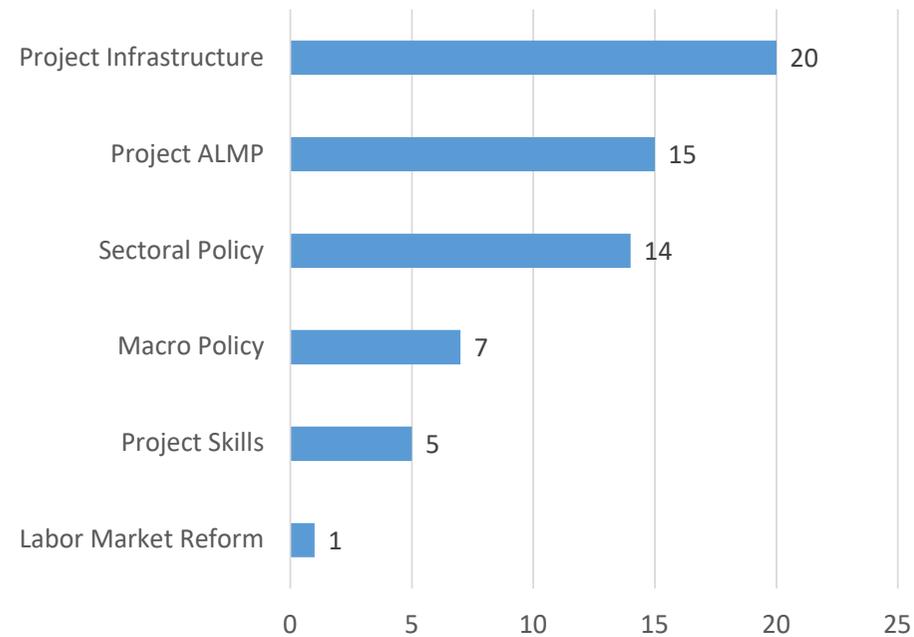


# Tools and types of interventions

Number of Studies by Tool



Number of Studies by Type of Intervention



- 62 studies by the EPD (or by EPD staff) between 2000 and 2018
- 14 manuals, guidance documents, meta-studies

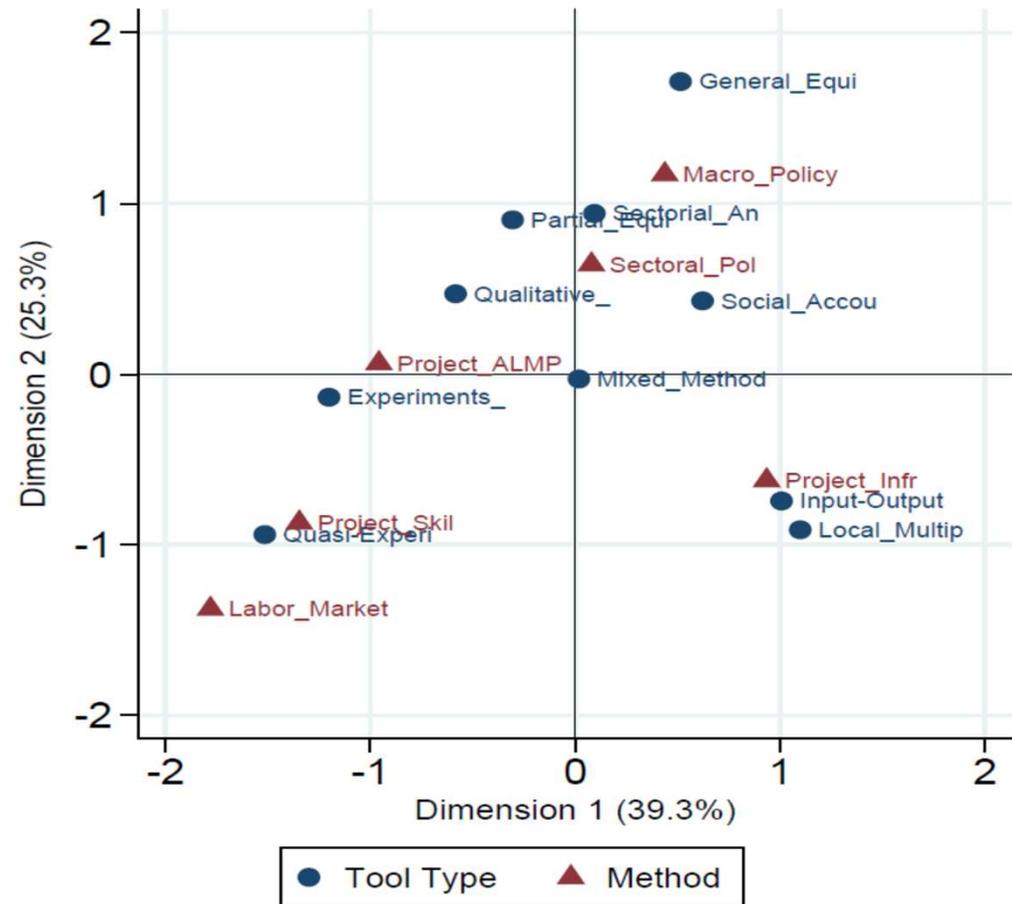
# Which method to use?

- Typical interventions analyzed
  - Infrastructure projects
  - Active labor market programs
  - Sectorial policy
  - Macro policies
  - Legislative proposals or reforms

- Which method for which intervention?

- It depends on
  - The question / policy to be analysed
  - Budget
  - Time

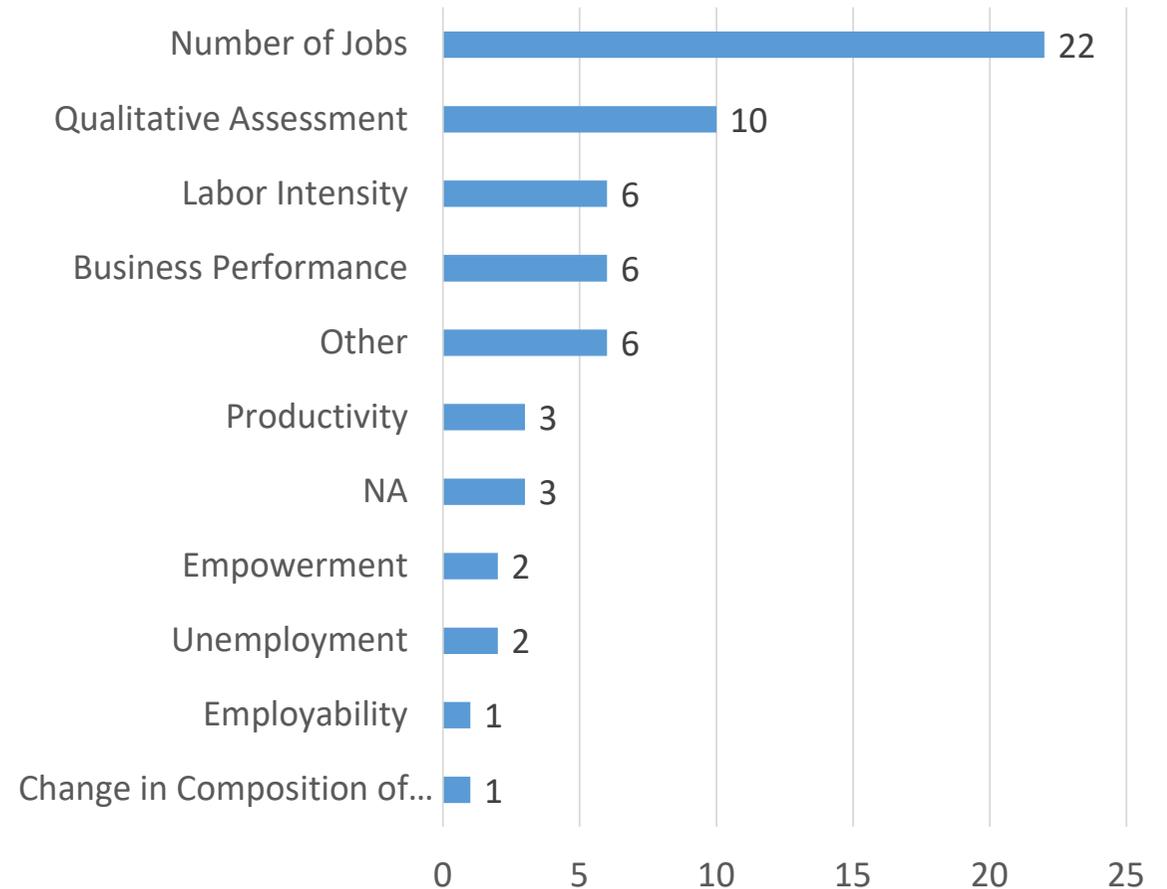
*Correspondence Analysis Biplot: What method for what intervention?*



# Indicators

- ILO practice:
  - Focus on number of jobs /equivalent jobs
  - Need for information on quality (composition, attributes)

Number of Studies by Indicator



# Composition of Employment

## • Example: Gender and Skills

- Breakdowns by sex and skill-level assume that employment changes are proportionate to the actual shares of employment by sex and skill-level, OR that employers do not make distinctions by sex or education in the face of employment changes, maintaining the same proportions.
- This is a rather strong assumption.

## • Example: Informality

- Opening the institutional sector of households in the National Accounts System
- Satellite accounts

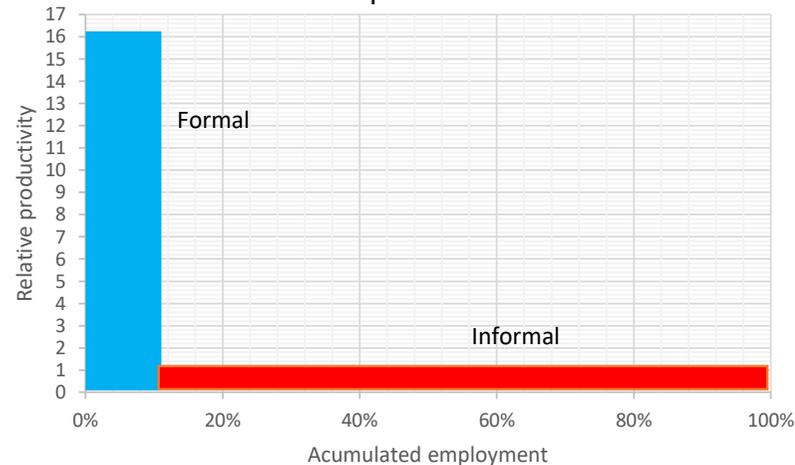
Table 5. Correlation of sex and education with labour coefficients (SAM base years)\*

	India**	South Africa
Percentage female, tradeable goods industries	0.22	0.49
Percentage female, non-tradeable industries	0.50	0.71
Percentage female, all industries	0.27	0.59
Percentage less educated, tradeable goods industries	0.46	0.60
Percentage less educated, non-tradable industries	0.40	0.37
Percentage less educated, all industries	0.35	0.47

\* Pearson coefficients. \*\* Leaving out coal and lignite, crude petroleum and natural gas.

Trade liberalization, employment and inequality in India and South Africa David KUCERA\* and Leanne RONCOLATO\*\*

Sub Saharan Africa. Composition of GDP



Sub Saharan Africa

- IMF: 34% of GDP is informal
- ILO: 89% of labor force is informal (ILO)
- Productivity diferential of 16:1

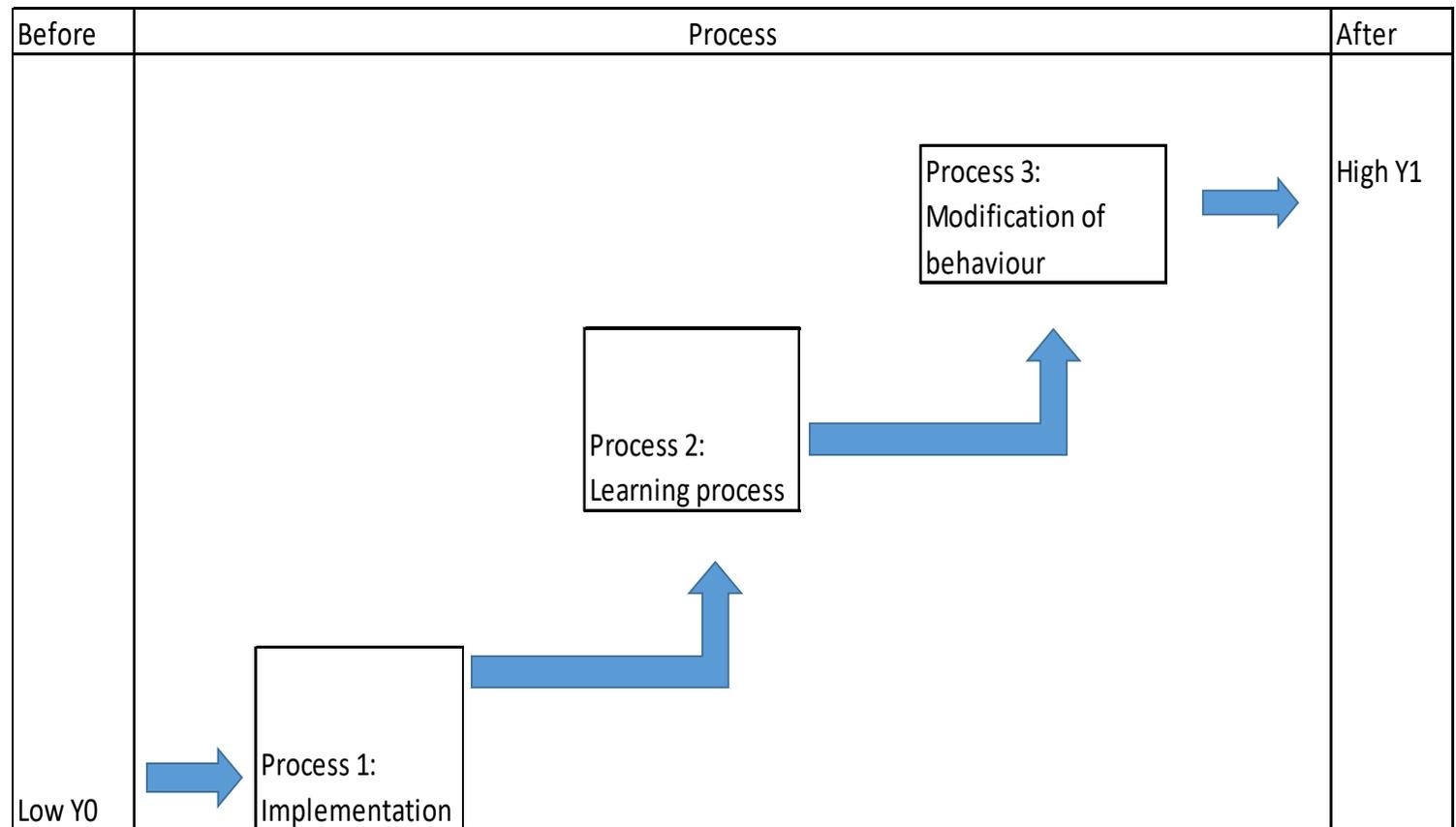
## Is there an “ILO” approach?

- The outcome variable:
  - Employment
  - Quality of employment (at least one dimension)
- “Pro Employment”: Qualitative (conceptual) assessment
  - Macro interventions: Inflation marketing versus employment targeting
  - Meso interventions: Capital-employment intensities; sectorial composition
  - Micro interventions: Alternative use of resources
- Involvement of Social Partners
  - To inform social partners of design/results
  - To promote Social Dialogue on EIA

## A note on evaluation of National Employment Policies (NEP)

- NEP
  - Set of interventions and/ or policies
  - A framework for intervention
  - 65 countries have NEPS (based on a sample of 127)
- Evaluating NEP
  - Requires a «multi - treatment» approach
    - Most methodologies assess one treatment only
    - GEM models could help
  - ILO Practice
    - Qualitative assessments
    - Quantitative assessments of specific parts of the NEP

- “Attribution” vs. “contribution”
  - The link between Monitoring and Evaluation (case, skills training program)
  - If not intermediate processes, no impact for sure



# 3. Institutional capacities

- Objective: To build ownership
- EIA is carried out in different ways:
  - EIA sometimes is included as a task of more general social M&E institutions.
  - There is a specialised body for EIA. Case KLI
  - EIA is developed in a priority sector supported by a dynamic agency.
  - Some (not many) Labour Market Observatories, include EIA as one of their functions.
  - Employment Funds (similar to Social Investment Funds). Case Peru
  - Ad hoc approach and usually evolves from individual evaluations.
- Discussion:
  - How is it done in your country or current practice?