

Labor Market Assessment Tools

Which tools should I consider?

An effective labor market analysis is only as good as the tools we use.

Labor market assessments can include a diverse range of different tools, assessment methodologies, and sources of information (e.g. value chain analysis, socio-economic studies, livelihoods analysis). To select the appropriate tool(s), you need to understand what information you are trying to gather and why. The more details you have, the better your analysis will be; however, there is a danger of having too much information and losing sight of the purpose of the analysis.

We often need several tools or information sources to understand a labor market system and to allow us to look at the specific market from multiple perspectives. This allows us to develop a more rounded view, testing preconceptions, assumptions, and the biases of individual tools and information sources. In Mercy Corps labor market assessments, we use a range of tools to understand the supply and demand perspectives, as well as gather qualitative and quantitative data.

Different tools answer different questions. The type of tool you use depends on whether you want to collect broad information about a population or market, or whether you want to focus in on a specific problem and identify possible program activities. During the methodology phase, outline the goals and objectives you must determine through the research and then determine the tools you must use to help you gather that information.

Common tools

1) Business/Employer Survey tool (quantitative/qualitative)

The goal of this tool is to understand the labor market from the view of the private sector – the potential employers. Therefore, the tool will gather information such as local businesses' perceptions of job seekers (for example: youth, if youth are the focus of your program); opportunities for mentorships, apprenticeships, and job placements; and information on hiring trends. The tool should also collect information on skills in demand by potential employers. Are businesses looking for employees with financial management skills? Are they looking for hard technical or vocational skills (if so, which ones) or are they more concerned with transferable skills such as effective communication? In addition to collecting information on the employment landscape, the tool can also gather information on self-employment, such as the constraints to starting and managing a business and identification of high potential growth sectors for aspiring entrepreneurs.

The Business Survey is a versatile tool which can capture information from small enterprises, as well as mid-large size firms. This tool may also identify individuals who may participate throughout the program as mentors or potential employers.

2) Focus Group Discussion (FGD) Guide (qualitative)

The goal of the FGDs is to assess job seekers' perceptions of their current skills and opportunities and challenges for economic engagement. For example, if your program will focus on young women, the

FGD may determine any gaps in perception between young women and the larger labor market: perceptions of young women as employees, their attitudes towards employment, etc. For your program, understanding how young women view their current economic conditions is key to developing strategies for improving their livelihoods.

3) Private Sector Mapping tools (qualitative)

The goal is identify specific firms and/or business sectors, or to map the private sector more broadly in a specific city or community. Depending upon the context, different tools may be used for PS mapping including a market observation tool, business sector scan tool, and a PS firm identification tool, using tools and processes developed by Mercy Corps.

Mapping typically targets global, national, and local firms, where we believe current and future employment opportunities exist, as well as informal sectors and enterprises that exhibit livelihoods potential. The specific firms will be determined by initial research. Typically, the planning for a private sector mapping will include an internal inventory to determine the nature and status of relationships and contacts we already have established through previous country programs. Firms identified as potential engagement partners will be targeted to receive a Business Survey, and outreach will take place to schedule survey interviews.

A significant outcome of this activity is to build the capacity of the assessment team to establish and develop relationships with high-potential private sector firms. It is also anticipated that further mapping may be required based upon LMA setting up post-LMA, private sector engagement activities to further deepen relationships and opportunities with private firms.

4) Value Chain Focus Group Discussion Tool (qualitative)

The goal of this tool is to understanding current and potential entry points for our beneficiary group along existing value chains. The tool gathers key stakeholders from all along selected value chains from producers to processors to consumers in order to identify constraints, as well as opportunities. The team maps out the value chain and then determines gaps in the value chain as well as entry points for targeted job seekers. This tool is NOT a full, comprehensive value chain assessment but rather studies existing, high-potential value chains through a detailed focus group discussion with key players.

For example, in Liberia we wanted to ascertain entry points for our youth along a cassava value chain in Grand Bassa County. Therefore we talked to producer associations, cassava farmers, and distributors to identify gaps and opportunities related to employment/self-employment along the cassava value chain.

5) Key Informant Interview Questions (qualitative)

In order to understand the larger ecosystem and enabling environment for employment and self-employment, as well as gather rich, qualitative data on opportunities for program linkages, we use tailored, supplemental Key Informant Interview (KII) surveys. These are administered to targeted stakeholders possibly including local, regional and national government officials, chamber of commerce members, business association member, national and multinational corporations, microfinance institutions, youth-serving organizations (if our beneficiary target is youth), donor, and TVET providers.

6) Market Observation Tool (qualitative): This tool can help us to understand local market activity including basic supply and demand of goods and services, understand trade routes and movements of goods, as well identify challenges of consumers and local market actors. This tool also enables us to

observe and capture information such as presence of women in the marketplace, busiest times for market activity, etc.

C O N T A C T

Tara Noronha

Economic and Market Development Advisor

tnoronha@mercy Corps.org