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TOOLKIT FOR  
WORKFORCE  
DEVELOPMENT &  
LABOR MARKETS IN  
THE E&E REGION

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RESEARCH LIBRARY

TOOLS FOR ANALYSIS

SCENARIO BUILDING  
FOR RESEARCH DESIGN

# Toolkit for Workforce Development and Labor Markets in the E&E Region

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# Web-based Toolkit

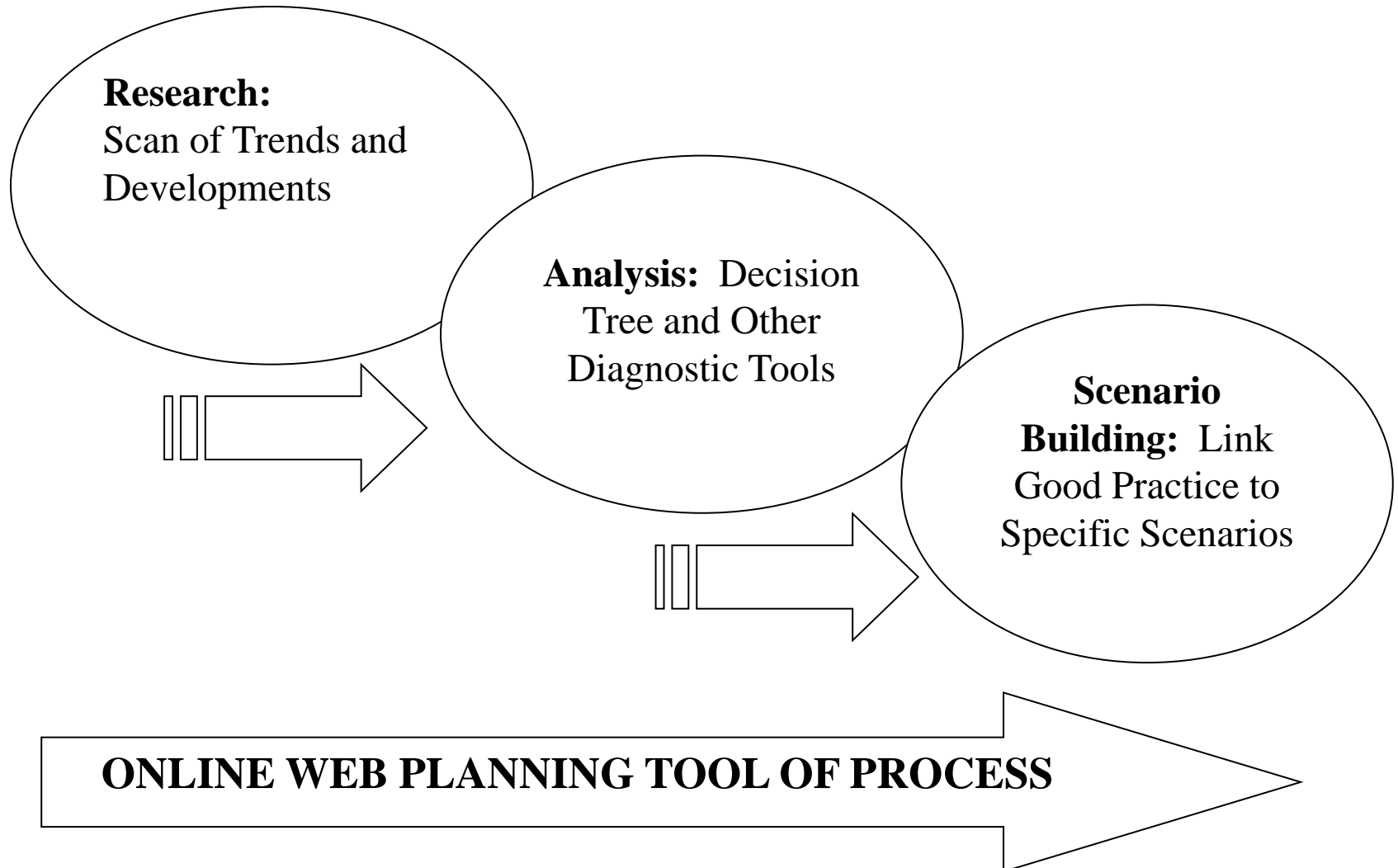
- Snapshot of the Labor Market Landscape
- What Interventions based on the data
- Good Practice Guide



# Goals and Objectives

- Evidenced based programming
- Connect countries' priorities to good practice examples for better results

# Methodology



# 4 Main Features

- Research Library
- Tools for Analysis
- Scenario Building
- Good Practice Guide

# The Research Library

- *Labor Market Indicators*
- *Country Summary*
- *Global financial crisis*
- *Industry demands*
- *Skills gaps and shortages*
- *Labor supply and unemployment*
- *Targeting and inclusion*
- *Labor efficiency and economic policy*
- *Institutions related to workforce development and labor market*

# Statistical Trends

	Bosnia and Herzegovina	Croatia	Macedonia	Moldova
<b>Economic Growth *</b>				
Per capita income, \$US, 2008	4,833.5	15,552.4	4,761.3	1,766.0
GDP growth rates, annual average, 1996-2006	5.5	4.3	4.0	4.4
GDP growth rate, projected 2009 (EBRD)	-1.0	-3.5	-1.0	-6.0
Exports % of GDP 2008 (WB)	35.0	42.0	56.0	44.0
<b>Labor Force **</b>				
Total number in labor force 2008 (000)	1926.1	1955.0	895.0	1433
Unemployment rate 2007 (Ages 15-64) %	26.0	8.4	33.8	4.0
Labor force participation rate 2008 %	59.0	50.1	52.5	46.6
Female	53.0	42.5	40.7	45.0
Youth inactivity rate 2008 %	57.5	62.9	67.4	80.7
Female	61.4	64.8	73.5	81.9
<b>Labor Efficiency (Score 1-7) ***</b>				
	4.1	4.1	4.2	4.5
<b>Institutions (Score 1-7)***</b>				
	2.9	3.6	3.7	3.6

## Sources:

\* Data on economic growth is from World Bank Indicators and ERBD

\*\* Data on employment from Key Labor market Indicators, ILO

\*\*\*Data from Global Competitiveness Report-World Economic Forum, 2009-2010 with the exception of Moldova (2008-2009)

# Resources

- **Recent Reports and Assessments - World Bank, USAID, others**
- **National Accounts Statistics**
- **ILO Statistics**
- **World Bank Statistics**
- **EBRD Indicators**
- **World Economic Forum's Global Competitiveness Report**

# The Analytics = The Close Up

## Four main determinants

- Labor demand (agricultural, manufacturing, construction, and services)
- Labor supply and targeting (current and future workforce by age, gender, education, and ethnicity)
- Labor market efficiency—labor costs
- Institutional strength—transparency, budget priority and sector efficiency

# Jobs Growth and Demand for Labor - Macedonia

	2002	2006	% change
GDP (value added) (in 1000000's)	191,960	258,259	34.5
Total population	2,023,900	2,037,900	0.7
Total population of working age	1,619,700	1,678,700	3.6
Total number of employed	561,342	551,651	-1.7
GDP (value added) per capita	94,847	126,728	33.61
Output per worker	341,966	468,156	36.90
Employment rate	34.66	32.86	-5.18
Share of population of working age	80.03	82.37	2.35

**Table 2: Decomposition of Growth in per capita Value Added, Macedonia 2002-2006**

	Percent of total change in per capita value added growth
Total Growth in per capita GDP (value added)	100
Growth linked to output per worker	101.46
Growth linked to changes employment rate	-18.54
Growth linked to changes inter-sectoral shifts in employment	7.03
Growth linked to changes in the share of population of working Age	10.05

# What sectors (Demand Determinants) contribute the most?

## Four economic sectors:

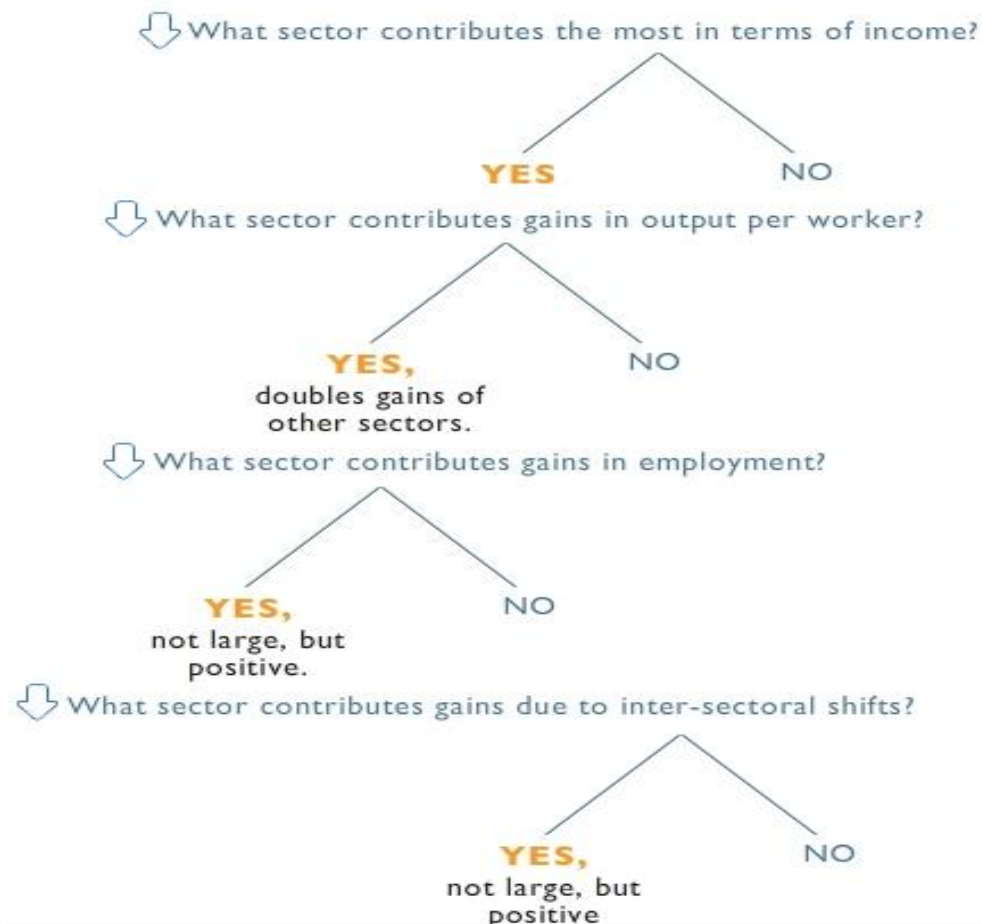
- **Services**
- **Agriculture**
- **Industry/utilities**
- **Construction**

What sector contributes the most in terms of

- income?
- output per worker?
- employment share?
- inter-sectoral employment shifts?

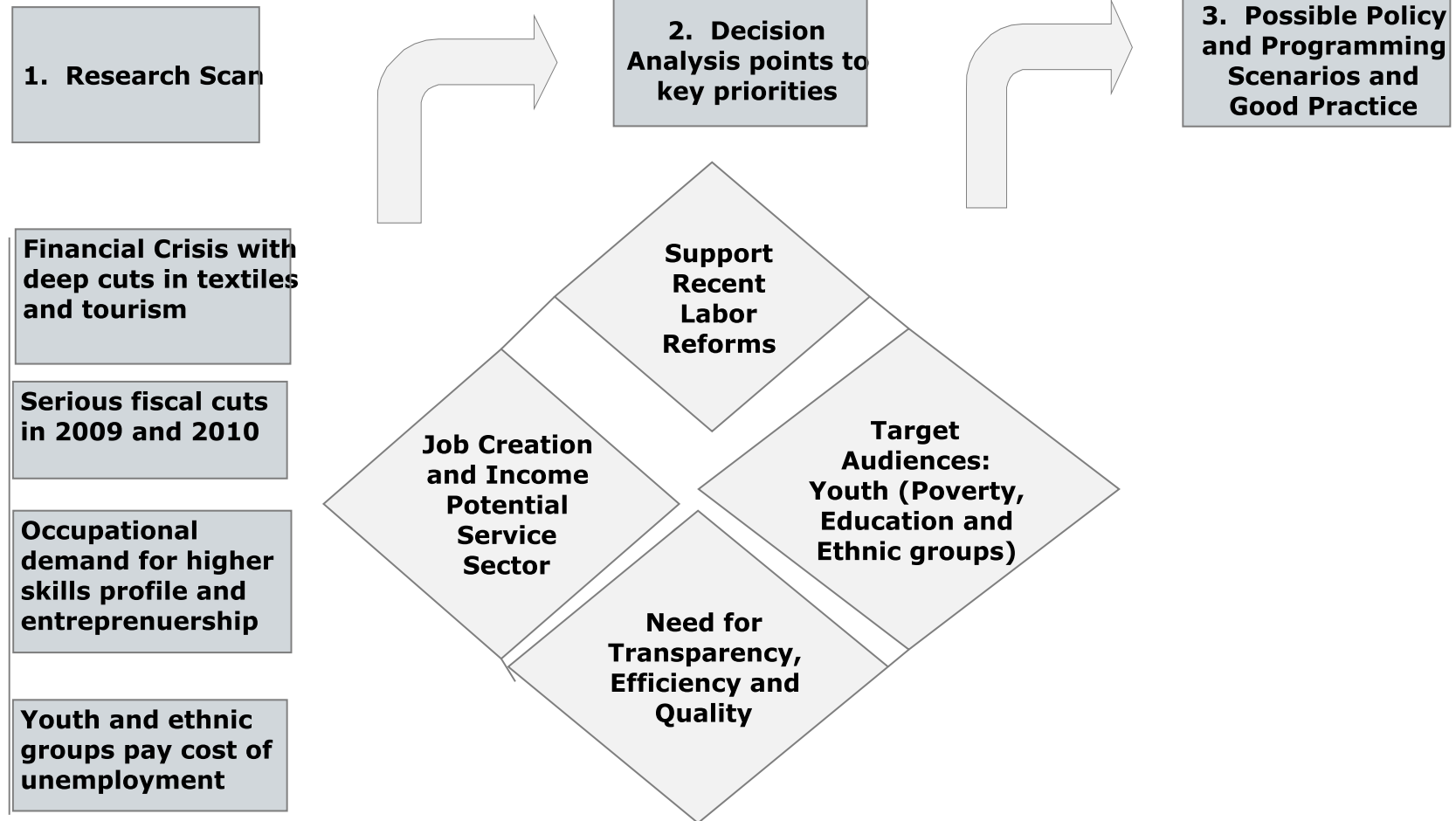
# Services Sector for Macedonia

## Decision Tree I: Service Sector and Jobs Creation and Income Growth



# How the Toolkit Hangs Together

## Key Findings and Priorities of Research SCAN and Decision Analysis



# Scenario Building-Good Practice

- What policies and programs **best address** a country's labor markets needs
- Mixing and matching scenarios to improve impact and/or sustainability
- Lessons learned from around the globe on what works and what doesn't

# Current Labor Market Projects?

<b>Project</b>	<b>Donor</b>	<b>Partners</b>	<b>Size (money)</b>	<b>Project Objectives</b>

*Do your current LM projects address  
the country's LM needs??????*

# Brainstorm Conversation To Get on the Right Track

**Tax policy reforms for greater labor competitiveness?**

**Labor policy reform but with little bang for the buck!**

**Urgent need for active labor market programs to support policy reforms.**

**Oh you mean job counseling and skills training (referred to as active labor market programs)**

**Promoting efficiency and transparency is fundamental for all public sector programs?**

**What about those that are left behind—the poor and ethnic groups?**

**But what about general secondary education?**

**But to be competitive with the EU, Macedonia's workforce needs tertiary education.**

**Demand-driven programs will provide greater buy-in and leverage from the private sector.**

**Unemployment requires jobs creation, and targeting sectors that generate income.**

**Yet remember that vocational secondary education has almost half of the enrolled students.**

**What about school to work activities as a more cost-effective solution?**

# Global LM and WfD Good Practices

- Keyword search
- Distinguished by project, policies, and partnerships

## Examples:

- Netherlands 4Trade Apprenticeships
- Romania Incentives for Employers
- Belgium IGLOO community services program