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MONITORING & EVALUATION OFFICE

Assessing Market-Based Solutions: Lessons from Evaluating a Youth Employment Initiative

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Creating employment opportunities for youth is a priority for many countries. How can these opportunities – increasingly situated within market-based approaches to development – generate and sustain positive employment and social outcomes for individuals, their families and communities? This paper reports on an evaluation of a Rockefeller Foundation initiative that provided instructive lessons on how to assess youth employment and digital jobs programs that embed market-based principles.

Generating jobs for young people has become one of society's most important and urgent tasks. This is particularly true in the context of developing countries. Officially, the number of young people out of work worldwide has risen past 70 million and is climbing. Unofficially, the figure is much higher. And too often, these youth find themselves underemployed in low-wage, precarious and dangerous work.

Governments, foundations, and others tackling youth unemployment confront the dual challenges of creating quality, targeted, and sustainable opportunities while, at the same time, delivering value for the private sector. In parallel, these stakeholders must also measure the impact of their programs in cost-effective and meaningful ways. Increasing understanding of how employment translates into broader economic and social benefits and then communicating that understanding is complex – but necessary.

Harnessing ICT for youth employment

Increasingly, information and communication technologies (ICTs) provide new opportunities for young people. The potential of mobile phones, the most visible example, is only beginning to be explored. ICTs are giving rise to new approaches that prepare young people for work, helping them find the right job and strengthening their ability to progress in their careers (Raftree, 2013). However, while the use of ICT in international development programs has shown some promise, these initiatives have not consistently been designed with a view toward sustainability.

New initiatives that blend ICTs and market-based approaches take advantage of two distinct features of the digital economy. First, a steady stream of tasks can be carried out from virtually any place that has computer access and a reliable internet connection. Second, many young people are digitally literate – comfortable with mobile phones and computers – and often determined to access new opportunities beyond their communities. At the intersection of these two factors lies impact sourcing, a promising approach that combines ICT and business process outsourcing, and provides access to employment opportunities for people facing employment barriers (Harji *et al.*, 2013).

Impact sourcing operates at the intersection of market-based approaches, ICT, and workforce development.

Over the last few years, The Rockefeller Foundation – working with other funders, industry associations, governments and networks – has supported a portfolio of grantees to test a range of models for training, employing, and supporting low-income youth to carry out digital work. The Foundation funded an evaluation for its work in digital employment and the experience from the initial phase - which focused on impact sourcing-provided instrumental lessons on how one might think about assessing youth digital employment programs that embed market-based approaches. Reflections from this experience are summarized below.

Measurement: challenges and practical application

Tensions and issues in measurement

Impact sourcing, which operates at the intersection of market-based approaches, ICT, and workforce development, offers a compelling example of the challenges of complex impact measurement. The experience of evaluating the Foundation's digital jobs initiative has yielded three important measurement-related insights.

1. **Clarifying the intent and users of measurement.** There is often a disconnect between what should be, and what actually is, measured. A root cause of this is the lack of clarity around the objectives of measurement – whether it is for accountability (to funders or investors), learning (for the broader field), performance management (for the enterprise), or a combination of these. This challenge is closely related to the users of measurement, as well as to who pays for these activities (and, in fact, whether they are the same). To address these challenges, measurement strategies should be formulated with specific users in mind and anchored in a firm understanding of their data and information needs.
2. **Distinguishing performance at individual and firm levels.** The unit of measurement and analysis in market-based approaches typically oscillates between

the individual and the firm. Naturally, there is a desire to understand and assess changes at both levels. In practice, however, the firm as the unit of analysis provides some helpful simplification for data collection and analysis. For example, data on aggregate trends across a firm for employee performance or retention can provide relevant benchmarking within specific sectors but, on its own, it does not explain what is happening below the surface. Business to Rural Technologies which is an impact sourcing service provider in rural India, claims impressive retention statistics compared with averages in the business process outsourcing sector. However, deeper examination of its model suggests that strengthening social capital among employees has been a key contributor to these positive results.

3. **Translating individual to household outcomes.** It is especially important for market-based approaches to demonstrate that individual results can translate into household- and community-level outcomes over time. Measurement helps construct an informed narrative around how an approach contributes to changes, whether positive or negative. This often involves capturing baseline household conditions, embedding techniques for longitudinal tracking for specific sample populations, and choosing the right design and measures within constraints – whether they are time, budget, access to data, cultural barriers, or privacy issues. For digital employment in particular, new ICT-enabled tools (further explained in the next section) are helping researchers and practitioners collect these data more cheaply, efficiently, and reliably.

Dynamic Measurement Systems: An Example from Samasource

Based in the United States, Samasource connects youth to training and employment in the digital economy. At the time of the evaluation in 2013, Samasource had trained and employed over 5,500 disadvantaged youth and women. Through a technology platform, large data projects are converted into small tasks that can be completed at local delivery centers by youth in developing countries with basic training. Samasource's theory of change is that exposure to formal work and fair pay can be transformative.

The platform provides sophisticated analysis of individual worker performance and collects data on social impact factors and changes, therein linking individual economic and social progress. A variety of methods and approaches is used to triangulate data, including baseline, follow-up, and exit surveys. Measurement at Samasource fulfills multiple objectives, including examining employee experiences and engagement, providing task optimization, and supporting social impact analysis for external communication and accountability. The organization's evaluation practices have continued to evolve over time in response to dynamic needs and opportunities.

Source: Chow and Harji, 2014.

Elements of measurement in practice

As a dynamic area of inquiry, impact sourcing is providing useful insights in addressing key challenges with regard to measurement. Six elements have been applied in impact sourcing initiatives that are critical to effective impact measurement efforts.

1. **Developing and interrogating a theory of change.** Theories of change are valuable tools for monitoring and evaluation (M&E), communications, and adaptive management. They situate M&E questions and the indicators in the context of a broader intervention, articulate causal relationships, and reveal assumptions that underpin interventions. Throughout an intervention's lifecycle, its theory of change can be adapted in response to emergent learning and shifts in context (Jackson, 2013). Maintaining a theory of change for a digital-employment or other market-based intervention, and adjusting and improving it over time, can support successful implementation. Theories of change can also be used to organize and communicate learning within and outside of an organization.
2. **Employing evaluation practices that embrace innovation and complexity.** The practice of M&E continues to evolve in response to shifting social sector priorities and trends. Specifically, there is demand for agile M&E approaches that adapt to the

dynamic conditions within which an intervention is implemented. There is increased emphasis on accountability to a range of civil society stakeholders. Finally, mixed methods, and new ICT-enabled and big data are gaining traction (UNDP, 2013). All these conditions represent their own challenges and opportunities, while also underscoring the importance of flexible, iterative, and dynamic approaches to M&E. Developmental evaluation offers one such approach for complex, market-based programming (Westley *et al.*, 2010).

3. **Building an integrated model that bridges the enterprise, individual, and household levels**. In undertaking an evaluation of a digital-employment or other market-based initiative, it is often easiest to track indicators at the enterprise level. Data related to employment, including job level, type of job, time on the job, and rate of pay, are relatively straightforward to collect. Individual demographic data, such as gender, age, education level, and place of residence, are similarly collected with relative ease. Less clear, though, is the relationship among data at the individual, job, and enterprise levels. Equally important is the relationship between an employed young person and his or her household. Preliminary research shows that youth use their earnings to contribute to household expenses. However, there is room to learn more about whether and how this translates into real impact at the household level. An integrated, multi-level measurement approach is therefore required.

4. **Choosing mixed research methods for data collection and analysis.** Using both qualitative and quantitative approaches to data collection and analysis can strengthen the quality, relevance, and use of M&E findings. Choosing the mix of methods should begin with strong evaluation questions, to which appropriate methods can be matched (rather than picking the methods first). Qualitative approaches can provide layers of texture around the rationale, assumptions, and changes in the theory of change, and how they evolved during the period examined. Qualitative data collection approaches can include participant observation, participatory appraisals, open-ended interviews, and focus groups – all of which can be codified, quantified, and analyzed using statistical or quantitative methods (Bamberger *et al.*, 2010). Quantitative approaches can include, for example, trend analysis of existing data sets (such as earnings and sales) as well as regression analysis, among other methods. The appropriate balance of approaches should be suited to the purpose and align with the budget and timeline.

5. **Focusing on contribution to results.** The use of conceptual models to describe how individuals and households progress out of poverty is still not well understood or widely adopted. To complicate matters further, funders often aspire to attribute a demonstrable impact to their programs. While it is possible, from a methodological perspective, to develop approaches that ascertain attributable impact, this should rarely be the sole or dominant motivation for investing in robust M&E. If funders are able to move beyond a fixation with attribution and instead focus on how their resources contribute to particular outcomes, their evaluation resources may be channeled more effectively.

6. **Using real-time, technology-enabled M&E tools**. For monitoring activities in particular, it is desirable to link data collection, analysis, and utilization. At each of these stages, there may be scope to integrate tools that make the cycle easier, faster, or more cost-effective. A range of ICT-enabled tools – including mobile phones to conduct surveys and real-time dashboards that

aggregate and visualize multiple data streams – can help to support this. For example, Samasource, a pioneer in impact sourcing, uses its technology and microwork platform to analyze worker performance and to collect data on social impact factors and changes (see Box 1). Using these tools also comes with a new set of opportunities as well as risks. For the former, the ability to reach previously unreachable segments of youth – for example, those in rural areas who are now accessible via mobile or social media – is an important driver of inclusivity. For the latter, there are many important considerations that must be managed, such as technical capacity, infrastructure requirements, and user security (Thakkar *et al*., 2013).

Implications: measuring better futures

It is still early days for measurement of market-based solutions, indicating the need for further development and testing. At present, the M&E field faces three challenges related to impact measurement for market-based approaches.

1. **Leveraging M&E for a variety of purposes.** A broader interpretation of the purposes, uses and users of M&E, including a broadened definition of stakeholders should be applied. For example, the functions of monitoring and evaluation are too often viewed as separate and distinct from the strategic planning processes of implementing organizations, foundations, or development agencies. This represents a missed opportunity, since effective M&E can generate valuable intelligence, insights, and models that can inform strategy.
2. **Using innovative approaches and tools to strengthen M&E.** Digital employment initiatives offer an opportunity to harness technology in creative ways for M&E activities. A variety of new techniques now being applied have the potential to dramatically reshape every component of the traditional M&E lifecycle, and even to redefine the purpose, processes, and use of M&E itself (UNDP, 2013). It should be clear, however, that the technologies are enablers – they are a means to an end, rather than a solution in their own right. Without the right people and processes in place, no tech-enabled tool will succeed.

Mixed Methods for Multiple Purposes: An Example from Digital Data Divide[1]

Cambodia-based Digital Divide Data (DDD) creates jobs for disadvantaged youth through business process outsourcing (BPO) tasks. Founded in 2001, the organization employed more than 1,000 people across three countries in Africa and Asia at the time of the evaluation in 2013. As a social enterprise, DDD intentionally recruits youth who face barriers to employment, facilitates access to customized skills training and personal development, provides jobs that have fair wages and progressive career paths, and offers scholarships to employees to attend university. Taken together, this theory of change integrates several components to ensure that youth are ready and able to work, prepared to build on their experiences, and can retain work within DDD or elsewhere.

DDD's social impact measurement approach incorporates several components to collect, assess, communicate, and utilize data. Formal and informal methods are used to collect both qualitative and quantitative data related to performance on specific tasks and projects, as well as broader human resourse (HR) considerations related to developing soft/foundational skills. At the same time, baseline in-person assessments and follow-on surveys assess the social and economic conditions for individuals and their households, as well as how they change over time. These data points are used for a variety of purposes, includi human resource management, task/role optimization, and social impact assessment and communication.

[1] For more information, see digitaldividedata.org/impact.

3. **Placing the household closer to the center of poverty reduction efforts.** Youths' livelihoods are intimately tied to the households in which they live (James-Wilson, 2013). The household is considered critical to poverty reduction efforts, as it is an important entry point for analyzing the status of, and changes in, individuals within it, as well as the nature of interaction among them over time (Burns and Keswell, 2006). Making the link from individual to household outcomes is especially important for the legitimacy of digital employment. An approach that enables an understanding of how households move out of poverty would differentiate the type of interventions appropriate for them, and would integrate the unique needs and challenges of families as they seek to build assets and livelihoods (POWG, 2011).

Looking ahead

Innovative market-based solutions hold much promise for those committed to promoting youth employment. The new and growing body of work in this area has necessitated that M&E approaches adapt and evolve. The measurement community now finds itself confronted with the important tasks of supporting programmatic improvement, holding stakeholders accountable for their impact on youth, and demonstrating the value proposition for market-based players.

Drawn from the experience of evaluating The Rockefeller Foundation's market-based youth employment program, this paper has highlighted some of the most salient factors that M&E practitioners ought to consider when developing a measurement approach for impact sourcing programs. However, as youth employment programs and market-based approaches continue to evolve, so too must this conversation.

About E.T. Jackson & Associates

E.T. Jackson and Associates Ltd. is an international management consulting firm providing professional services in strategic planning, organizational learning and performance assessment to grant-makers and investors in the public interest. With a track record of award-winning work in Africa and Asia, the firm specializes in impact investing, microfinance, social enterprise, civil-society organizations, gender equality, local governance, and basic and higher education.

About The Rockefeller Foundation

For more than 100 years, The Rockefeller Foundation's mission has been to promote the well-being of humanity throughout the world. Today, The Rockefeller Foundation pursues this mission through dual goals: advancing inclusive economies that expand opportunities for more broadly shared prosperity, and building resilience by helping people, communities, and institutions prepare for, withstand and emerge stronger from acute shocks and chronic stresses.

Monitoring and Evaluation at The Rockefeller Foundation

Committed to supporting learning, accountability and performance improvements, the Foundation's Monitoring and Evaluation Team works with staff, grantees and partners to monitor and evaluate the Foundation's pathways to impact in the short- and long-term, and to capture lessons about what works and what doesn't across the Foundation's diverse portfolio.

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