

*Perspectives:*  
**Social Protection in the  
Informal Sector  
Youth Employment and  
Entrepreneurship**

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# Perspectives of CBMS teams

- These are most important – most based in country realities
- There is merit in frameworks, comparisons and sharing of knowledge among countries
- Why CBMS?
- The main aims in both cases – SPIS and YEE – are policies and interventions
  - Contention – if the situation of households and communities is not known in considerable detail
  - Policies and interventions are impossible to target accurately, and likely to miss their target beneficiaries

# National & global economies/societies

- Post-MDG discussions emphasize
  - volatility, vulnerability, insecurity, resilience
  - shared prosperity – equality and inclusion
  - sustainability
    - environmental (notably global warming - real prospects)
    - social (inclusion)
    - economic (employment/business, fiscal)
- SPIS and YEE are key to all these goals

# *Focus areas document* Open Working Group Sustainable

*Development Goals - 21 February 2014*

<http://www.worldwewant2015.org/node/424933>

- Poverty eradication
- Food security and nutrition
- Health and population dynamics
- Education
- Gender equality and women's empowerment
- Water and sanitation
- Energy
- Economic Growth
- Industrialization
- Infrastructure
- Employment and decent work for all
- Promoting equality
- Sustainable cities and human settlements
- Sustainable Consumption and Production
- Climate
- Marine resources, oceans and seas
- Ecosystems and biodiversity
- Means of implementation
- Peaceful and non-violent societies, capable institutions



# Fast changing world of connectivity & knowledge

- data, big data, internet of things
- knowledge (about wellbeing) and communication systems increasingly valuable
- knowing wellbeing of everyone is essential
- CBMS an ideal underpinning for social protection and economic development
  - and becoming increasingly inexpensive, even crowd sourced, with the connectivity/information revolution

# Two Interrelated Frameworks

SPIS and YEE not unrelated

- Unemployed youth a substantial portion of population needing protection
- Youth employment has major benefits for social protection over time
- Useful/desirable to seek common framework (elements)

Possibly useful approach for both

- Means (policies, programs, mechanisms..) to improve SPIS and YEE
- Focus field of enquiry on basic questions - who, what, how, by whom

# Social Protection Informal Sector

Why? Roles of social protection in fostering equality, inclusive and sustainable development

Who is in need of protection?

- Definitions of informal sector –how much commonality among teams?
- Focus on poor and vulnerable - different dimensions of poverty important?
- Focus on both temporary and permanent causes.. present and future poverty/vulnerability
  - differences in how risks addressed... safety nets vs interventions etc.
- Particular focus re gender, age.. Women and youth



# Social Protection Informal Sector

What is being protected against, how and by whom?  
(related but not identical)

- Causal factors (include)
  - General poverty, lack of employment, resources, knowledge
  - Poor public policies (macro, labor, infrastructure/energy)
  - Economic and social (political/security) shocks
  - Natural disasters, pandemics, sickness, disability
  - Lack of access to credit, insurance, education/training
  - Dysfunctions in family, community relationships

| Strategies      | Informal   | Market Based  | Public (incl. local)   |
|-----------------|--|---|--|
| Risk Reduction  | Less risky production<br><b>Migration</b><br>Proper feeding and weaning practices<br><b>Hygiene and other disease preventing activities</b>      | In-service training<br>Financial market literacy<br>Company based and market driven labor standards | Good macroeconomic policies (including <b>infrastructure, energy</b> )<br>Pre-service training<br><b>Labor market policies</b><br><b>Child labor reduction interventions</b><br>Disability policies<br><b>Infectious disease prevention/management</b> |
| Risk Mitigation |  |   |  |
| Portfolio       | Multiple jobs<br><b>Investment in human, physical &amp; real assets</b><br><b>Investment in social capital</b> (rituals, reciprocal gift giving) | Investment in multiple financial assets<br><b>Microfinance</b>                                      | Pension systems<br>Asset transfers<br>Protection of poverty rights (esp. women)<br><b>Support for extending financial markets to the poor</b>  |

|             |   |   |  |
|-------------|---|---|--|
| Insurance   | <b>Marriage/family</b><br><b>Community</b><br><b>arrangements</b><br><b>Shared tenancy</b><br>Tied labor  | Old-age annuities<br>Disability, accident and<br>other insurance (crop)..<br><b>Micro-insurance</b> | <b>Mandated/provided</b><br>insurance for<br>unemployment, old age,<br>disability, survivorship<br>sickness etc.                       |
| Hedging     | <b>Extended family</b><br>Labor contracts   |   |  |
| Risk Coping | Selling real assets*<br>Borrowing from<br>neighbors*<br><b>Intra-community</b><br><b>transfers/charity</b><br>Sending children to work*<br>Dis-saving of human<br>capital*<br><b>Seasonal/temporary</b><br><b>migration</b> | Selling financial assets*<br>Borrowing from banks*  | <b>Disaster relief/management</b><br><b>Social transfers/assistance</b><br><b>cash, health etc</b><br>Subsidies<br><b>Public works</b> |

\* one-way/limited – temporary protection – often negative longer-term consequences

# Social Protection Informal Sector

## Areas of focus

- Table (from Bolivia team)
- Is the focus on mechanisms within the informal sector, or all that effect informal sector?

## Political Economy

- Overview of social protection and SPIS situation in the country
- Analysis of what is possible given public sector resources and motivation, market conditions, organizational capabilities within informal sectors etc

# Research Questions from PAGE

## First Round Proposals

### Nature of informal sector

- What do latest data show about trends and quality of employment?
- What constitutes the informal sector?
- What is the nature/extent of poverty among households/population engaged in the informal sector?
- What are the characteristics of workers/population/households engaged in the informal economy?



# Risks in informal sector

- Can a local government identify the risks of the population in a context of high informality?
- What are the recurring risks these people face?
- What makes workers in the informal sector insecure and vulnerable?
- What are the different types of shocks that affect the informal sector?

# Informal sector SP institutions, measures

- What are the informal institutions of social protection that exist in both project sites?
- How do the people deal with these risks and what are the consequences on their lives, more especially their state of poverty?
- In case of need, how providing sustainable social protection as endogenous to the community as possible?



# Informal sector SP beneficiaries

- Which groups of the population (including women and children) could potentially benefit from social protection in the communes?
- Who among the informal sector workers were able to access the social security and health insurance systems?
- Who among the informal sectors workers were able to access the social assistance program by the government or private sectors?

# Informal sector SP effectiveness

- Do informal social protection mechanisms put in place by the people of the two sites allow to really alleviating their poverty?
- What can be learned from the practices of social protection in the informal sector?
- Can those practices aliment the creation of system of providing social protection to the informal sector?
- Can this system be a third pillar of social protection between the contributive formal social protection and the “assistential” social protection?

# Importance, feasibility, nature of improvements

- How can the design of social protection programs be improved through the use of information, local participation and monitoring systems?
- How can the design of social protection programs be more effective in reducing poverty and risks?
- Can Social Protection (SP) be extended to the informal sector in the communes of Diébougou, Koper and To?
- Are people in the informal sector willing to contribute financially to the implementation of welfare facilities in the communes of Diébougou, Koper and To?
- Is it necessary to provide social protection to informal sector in Kanembakaché, Dan Kobi and Zaroumey according to present governmental and non-governmental actions and community solidarity strategies for a significant reduction of multidimensional poverty?

# Youth Employment & Entrepreneurship

- How and by whom?
- Causal factors (include – similar to SPIS)
  - General poverty, lack of employment, resources, knowledge
  - Poor public policies (macro, labor, infrastructure/energy, business development)
  - Shocks - economic and social (political/security), natural disasters, pandemics
  - Sickness and disability, discouragement
  - Lack of access to credit, insurance, education/training)

# Youth Employment & Entrepreneurship

Why? Youth dividend, roles of youth employment and entrepreneurship in fostering inclusive and sustainable development

- Successful examples/benefits
- Who? – focus within youth unemployment?
  - Definitions of youth – which age group(s)?
  - Focus by gender – women
  - Relative focus on categories?.. student, inactive, discouraged, unemployed, part-time, unpaid work, self employed
  - Relative focus on poor, informal sector?

# Youth Employment & Entrepreneurship

How and by whom?

- Table below - similar to SPIS (Bolivia)
- Focus on informal sector mechanisms, or all that effect informal sector?

Political Economy

- Overview of youth employment and entrepreneurship situation in the country
- Include analysis of what is possible given public sector resources and motivation, market conditions, organizational capabilities within informal sectors etc

| <b>Strategies</b>           | <b>Informal</b>  | <b>Market Based</b>  | <b>Public (incl. local)</b>  |
|-----------------------------|--|--|--|
| Growth/employment promotion | <b>Household/community approaches, enterprises</b> farming, (street) sales, personal services..<br><b>Entrepreneurship development initiatives</b> | <b>Linkages – domestic &amp; international</b> , vertical and horizontal<br>Investment, private sector led growth<br>Company based and market driven labor standards | Growth/macro policies (incl. <b>infra/energy, labor/mobility/minimum wage..</b> )<br><b>Rule of law, business law/tax/regulation/licensing</b><br><b>Investment incentives</b> |
| Human capital development   | Training by experience (family/local business)<br><b>Migration</b><br>Seasonal migration   | <b>Internships/system Apprenticeships/syst.</b> (In-service and pre-service training)  | Growth/macro policies<br><b>Local development policies/programs/mechanisms</b> (incl. CBMS)<br><b>Education, technical training</b><br><b>Entrepreneurship training</b>        |
| Access to finance           | <b>Family/community resources</b>  | <b>Microfinance</b><br>Financial market literacy   | Extending financial markets<br>To the poor   |
| Other                       | Labor contracts<br>Tied labor  |  | <b>Employment (guarantee) programs (?)</b><br><b>Public works</b>  |

# Research Questions from PAGE

## First Round Proposals

### Nature of youth unemployment

- Who is migrating out of the towns?
- How much local entrepreneurship and labour market is absorbing the youth in decent jobs?
- What are the main categories of employment in which youth are employed?
- What are the available and potential youth employment opportunities in the study area?
- How do youths access employment opportunities in the study area?
- What is the proportion of employment levels of youth?
- What is the proportion of youth is actively engaged in economic activity?

# Nature of youth unemployment

- What is the status of youth unemployment rate in the study area?
- What is the status of youth unemployment by level of education attainment?
- What proportion of youth population is employed in the informal sector?
- What are the levels of income that youth obtain from employment?
- What are the links between youth unemployment and vulnerability?
- Who are the youth?
- What is the extent of unemployment among the youths?

# Youth unemployment - causes, contributing factors, obstacles - skills

- Is the existing educational system rightly supporting the youth to provide them the right skills and demanded by the labour market?
- What is the extent of lack of foundation skills among youths?
- What are the reasons behind lack of foundation skills among youths?
- What are the adverse effects of decreased education budget on the youth?
- What is the extent of the effect of multidimensional poverty on skill acquisition of youths?
- How does access to education and acquisition of skills differ between boys and girls across location?
- What factors affect the unemployment spell?
- What are skills required by informal sector youth workers?
- What are the extent of skill-work mismatch in the country?

# Youth unemployment - causes, contributing factors, obstacles - other

- What is the extent and causes of unemployment and sustained joblessness among the youths?
- What are the challenges of different categories of youth (not participating and participating in labour market), present and future opportunities and what are the policy guidelines to tackle these challenges?
- Is the local social and financial entrepreneurship is providing significant support to youth in getting education and productive employment?
- What percentage of youth that accessed formal and/or informal financial services?
- Why measures undertaken to address youth unemployment and vulnerability have not yielded the expected results?
- What is the extent of discrimination among youths with disabilities (YWD) in terms of education and employment?

# Youth unemployment - causes, contributing factors, obstacles - other

- What are measures in place/can be placed to mitigate these discriminations?
- How much is the effect of job mismatch to potential brain drain?
- What are the determinants of specialization preferences of youths?
- How is the job market influential to specialization preferences of the youth?
- To what extent do social media affect skills development and entrepreneurship among youths?
- How do society and government mold the skills of the youths?
- Why do youths move out?

# Nature of (youth) entrepreneurship

- What level of entrepreneurship attitude has the population?
- Who are the high potential entrepreneurs?
- Who are the entrepreneurs and what are they doing?
- What are the high entrepreneurship attitude individuals doing now? What kind of job they have?

# Youth entrepreneurship - causes, contributing factors, obstacles

- Is high entrepreneurship attitude related to family background? To what extent having exposure to entrepreneurship helps to develop this attitude?
- Are there gender differences in entrepreneurship?
- What is holding back high entrepreneurship attitude individual to indeed develop into entrepreneurs?
- What is holding back entrepreneurs?
- What are the poverty dynamics by entrepreneurship type and by gender? OR is there any link between youth entrepreneurship inequality and household poverty?
- How community and household poverty is linked to entrepreneurship activities in rural and urban areas of the Punjab?

# Youth entrepreneurship - causes, contributing factors, obstacles

- What are the effects of youth entrepreneurship inequalities on poverty dynamics at household level?
- What proportion of youth (employed and unemployed) that received entrepreneurship/business skills training?
- o what extent does business environment facilitate entrepreneurship?
- What are the individual characteristics that drive entrepreneurship?
- What are the factors that determine competitiveness among youths?
- Does competitiveness alleviate unemployment among youths?
- To what extent does poor business environment hurt entrepreneurs?
- How does membership in organization help youths back on track?

# Nature of improvements – youth employment and entrepreneurship

- How do you shorten the unemployment spell rate?
- How to maximize positive effect of the media?
- Can business organization solve business problems?
- How to make the existing entrepreneurial activities more rewarding?
- What are the potential areas of entrepreneurship development in rural areas?
- What kinds of support are needed especially from the local government to develop entrepreneurs in the potential areas?
- Starting from grass roots level: How Pakistan's demographic dividend could be reaped?