

**Government Levers for Spurring Employment:  
A Tool for Implementing Labor Market Assessments<sup>1</sup>**

This guide presents an overview of the policy areas that will impact the labor market and provides an interview guide with specific questions to be asked during both desk research and of stakeholders during field research. The policy areas have been carefully thought through to ensure that researchers address key policy issues impacting both supply and demand for jobs and labor, rather than for example focusing only on labor policy, which is necessary but not sufficient for an understanding of the issues at play.

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<b>Macroeconomic policy</b>	
Monetary	<ul style="list-style-type: none"> <li>- Are there fiscal stimulus packages to create jobs?</li> <li>- Are there hiring subsidies/tax breaks for hiring?</li> </ul>
Fiscal	<ul style="list-style-type: none"> <li>- Are there subsidies/tax breaks for training or training on the job</li> <li>- Is the tax/tariff system biased in favor of capital investments?</li> <li>- Does the Earned Income Tax Credit provide sufficient incentive/reward?</li> </ul>

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<b>Trade, investment and competition policy</b>	
Industries/ innovation	<ul style="list-style-type: none"> <li>- Is there an explicit policy of export-oriented development?</li> <li>- Are conditions favorable to Foreign Direct Investment?</li> <li>- Are there specific innovation policies?</li> </ul>
Doing business	<ul style="list-style-type: none"> <li>- Is entrepreneurship training/mentoring available and accessible?</li> <li>- Is there an innovation network (consisting of coordinating institutions across public, private, research, education sectors)?</li> <li>- What are leading barriers to doing business? (varying by value chain)</li> <li>- What are impediments to fair and free competition within industry sectors?</li> </ul>

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<b>Labor and social protection policies</b>	
Formal	<ul style="list-style-type: none"> <li>- What are bottlenecks in formal laws, regulations governing labor from the employer perspective?</li> <li>- What are bottlenecks in formal law, regulations governing labor from the worker perspective?</li> </ul>
Informal	<ul style="list-style-type: none"> <li>- What are the implementing institutions and practices in the formal sector?</li> <li>- What are the practices (institutions?) in the informal sector?</li> <li>- What are the major labor exchanges (search mechanisms for workers and employers) and how well do they work?</li> </ul>

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<b>Education policy</b>	
Access and equality	<ul style="list-style-type: none"> <li>- What are the conditions for accessing education?</li> <li>- Is there mobility (such as between non-vocational and vocational training) or is the education system rigid?</li> <li>- What mechanisms exist for private sector input into or participation in training/educational priorities?</li> </ul>
Skills	<ul style="list-style-type: none"> <li>- What is the quality of licensing, certification available (including presence of certification bodies in-country)?</li> <li>- How is education financed?</li> <li>- Does the government or private sector institutions offer incentives for guiding choices?</li> </ul>

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<b>Structural factors</b>	
Institutional coordination	<ul style="list-style-type: none"> <li>- What are the formal coordination competences of the Department of Labor vis-à-vis other relevant Departments?</li> <li>- What are the explicit or implicit structural economic policies (which types of value chains are being supported)? (Distinguish between manufacture, IT, public sector, personal services etc.)</li> <li>- Are there institutional bodies governing coordination (such as a workforce development authority or related organization)?</li> </ul>
Direct measures	<ul style="list-style-type: none"> <li>- What are the institutional dynamics influencing the labor market?</li> <li>- Are there arrangements/subsidies to guarantee additional training and/or a job for those leaving school?</li> <li>- Does the government support training or other measures to transition workers from declining industries?</li> <li>- Are there incentives for competitive technology choices by investors and firms?</li> </ul>