Let's Learn About Improving Labor Market Data in Northern Central America

Learning Session

August 10, 2022

Dan O'Brien, Lead Evaluator
Greg Haugan, Quantitative Data Expert

Conversation with AIR, DIGESTYC-El Salvador, INE Guatemala and INE Honduras

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Agenda

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02 Performance Evaluation
- Evaluation summary
- Main achievements and challenges
- Main achievements and challenges by country
- Lessons learned and good practices
- Key recommendations

03 Survey Data Analytics

04 Break

05 Conversation with AIR, DIGESTYC, INE-Guatemala, INE Honduras

06 Closure

LMI Project Overview

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Project Overview

- **Name**: Leveraging Data to Build an Efficient Labor Market in the Northern-Central American Countries Project
- **Grantee**: American Institutes for Research (AIR)
- **Grant amount**: $4.3 million
- **Performance period**: March 2017 to April 2022
- **Purpose**: To improve the labor market efficiency and performance in the northern Central American countries (El Salvador, Guatemala, and Honduras)
- **Partners**: National statistical institutes, labor ministries, academic institutions, and private sector organizations

Project Overview

Outcome 1

- Governments publish reliable, comprehensive, and current labor market information in user-friendly formats for the general public, and professional audiences

Outcome 2

- Educational and workforce development programs, employers, service providers, practitioners, and policy makers increase their skill and knowledge on LMI use.

Performance Evaluation

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Evaluation Summary

- **Contractor:** NORC at the University of Chicago
- **Type:** Final Independent Performance Evaluation
- **Fieldwork:** January-March 2022
- **Team:** Carlos Echeverria, Greg Haugan, and Dan O'Brien
- **Methods:** On-line perception survey (n=125), key informant interviews (n=66), and document reviews
- **Respondents:** project staff, key project partners, trainees, representatives of national statistical institutes, labor ministries, academic institutions, and private sector organizations.

Overall Project Achievements and Challenges

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Main Achievements

- Revised and improved household surveys to meet ICLS standards
- Revised and improved occupational and industrial classification systems to meet with ISIC and ISCO standards
- 2 establishment surveys per country (1,765 businesses participated) and methodology transferred to university partners
- 774 stakeholders trained in LMI topics, focus on data quality (workshops and certificate courses). Methodology installed in academic institutions (FLACSO, URL)

Main Challenges

- Harmonizing and using the classification systems
- Resources to implement some sampling and electronic data collection recommendations (software, hardware, and training costs)
- Finding funds to conduct future establishment surveys
- Finding funds to conduct future LMI training
- Using LMI to develop workforce development policies and programs and help job seekers

Project Achievements and Challenges by Country

- El Salvador
- Guatemala
- Honduras

Image: Catholic Relief Services

El Salvador Achievements

- Household Surveys/Sampling: Technical assistance to align EPHN with ICLS resolutions and directives. 85% of project recommendations implemented.
- Establishment Surveys : 2 surveys with 366 establishments participating: 233 tourism sector and 133 food and beverage sector. Helped fill gaps in information.
- Classification Systems: The project worked with the Ministry of Information and DIGESTYC to update the CNOES and the CLAESS to align them with ISIC and ISCO standards.
- Capacity Building. Participated in technical workshops, certificate courses, and statistical courses. Workshops: 242. Certificates: 112. Highly useful. However, scheduling problems.

El Salvador Challenges

- **Data Quality**: EHPM uses an outdated sample frame from 2007, causing some groups to be over or underrepresented. New census approved and proposed for 2023.
- **Data Publication**: DIGESTYC publishes annual EHPM results with wide variation in data publication dates. A subset of EHPM data is public, the complete household survey dataset is not.
- **LMI System**: SIMEL is world class caliber software but can only be as effective as the quality of information input, which is still lacking.

Guatemala Achievements

- **Household Surveys/Sampling:** Technical assistance to align ENEI with ICLS resolutions and directives but not implemented at time of evaluation fieldwork. Declined assistance with sampling.
- **Establishment Survey:** 2 surveys with 851 establishments participating: 682 tourism sector and 106 food and beverage sector. INGUAT intends to repeat the survey for at least two more years using its own resources.
- **Classification Systems:** OCSE served as the LMI steering committee. Project worked with OCSE to update 2009 CSO 09. Not yet approved by all members.
- **Capacity Building:** Participated in technical workshops, certificate courses, and statistical courses. Workshops: 331. Certificates: 143. Highly useful but some scheduling problems.

Guatemala Challenges

- **Data Quality:** Sample frame is based on the obsolete 2002 census. The 2018 census have not been officially accepted and published
- **Electronic Data Collection:** Low likelihood of increasing and sustaining its use due to INE's lack of resources
- **High Stakeholder Turnover:**
  - New Minister of Labor in 2019 (after elections)
  - New vice ministers in 2020 and 2021
  - New INE director in 2020
  - Project liaison at UVG left in 2019

Honduras Achievements

- **Household Surveys:** Technical assistance to align EHPM with ICLS resolutions and directives. 80% of project recommendations implemented.
- **Establishment Survey:** 2 surveys with 548 establishments participating: 437 tourism sector and 100 food and beverage sector.
- **Classification Systems:** The project helped reactivate and work with the COTICNOH to update CNOH 08 and CIIU4 HN. Capacity Building: Participated in technical workshops, certificate courses, and statistical courses. Workshops: 335. Certificates: 135. Highly useful but some scheduling problems.

Honduras Challenges

- **Data Quality:** INE has neither the funds nor the capacity to increase the annual EHPM's sample size and cover all 18 departments.
- **Data Publication:** INE does not make complete household survey datasets available to the public.
- **Staff Turnover:** Key stakeholder staffing remained relatively constant over the project cycle, but the January 2022 elections have brought turnover of key project counterpart staff at both leadership and technical levels.

Overall Lessons Learned

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Lessons Learned (1)

It is critical to match training content to the experience and skill level of participants.

- Mismatch between training content and the experience and skill levels of the participants
- Some thought the training content was too basic while others thought the content was too advanced
- Important to assess the experience and skill level of participants (i.e., training diagnostic) and ensure that training content meets participant needs

Lessons Learned (2)

Establishment surveys require trusted actors such as business associations to coordinate the survey and follow-up with establishments to ensure acceptable questionnaire response rates.

- The project involved the main business associations of each sector to:
  - Explain the purpose of the survey
  - Encourage them to complete the questionnaire
- Involving business associations significantly increased the survey response rate

Lessons Learned (3)

Institutional limitations, especially the lack of financial resources, reduces the chances of sustaining key outputs and outcomes.

- It will be difficult to sustain some key project outputs due to a lack of financial resources.
  - Establishment surveys
  - LMI training
  - Some recommendations to improve sampling and electronic data collection
- It is important to assess willingness and ability of partners to provide resources necessary to sustain outputs and outcomes

Lessons Learned (4)

The project's performance indicators did not entirely capture the achievement of the outcomes.

- The project developed a set of performance indicators to measure the achievement of the outcomes.
- The indicators did not measure all of the dimensions of the outcome statements.
- For example, it is not clear whether all governments are publishing reliable, comprehensive, and current LMI in user-friendly formats for the general public and professional audiences (Outcome 1).

Overall Promising Practices

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Promising Practices (i)

Project steering committees that helped create interinstitutional communication and collaboration.

- The main purpose of the committees was to guide the project to adjust and provide implementation advice
- Provided a space for LMI institutions to share information and collaborate on important initiatives (classification systems).

Promising Practices (ii)

Building project interventions on existing institutional structures, processes, and priorities.

- The project aimed to work with statistical institutions to improve the household surveys.
- Statistical institutions have the mandate and resources to conduct periodic household surveys.
- Project leveraged previous efforts (ILO) to align the household surveys and classification systems with international standards.
- Overall, very wise investment.

Promising Practices (iii)

Involving credible universities to provide accredited certificate courses.

- Respected academic partners provided university accredited certificate courses covering a range of LMI topics.
- Receipt of a university accredited certificate was highly appealing to participants (strong motivational factor).

Promising Practices (iv)

Contracting respected expert consultants to provide technical assistance and build local capacity.

- Project contracted regional LMI expert consultants:
  - Highly qualified
  - Understood LMI contexts in Latin America
  - Fluent in Spanish
- These consultants helped the project gain respect and credibility from government and private sector participants.

Recommendations

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Recommendations: USDOL, Other US Government Donors, and Grantees

A. Learning and Improvement. Consider incremental project approaches where components, interventions, or expansions and their funding are phased in over periods of time based on progress, achievements, and learning.

- Criteria to move from one phase to the next might include progress milestones, achievements of key performance indicators, or key deliverables.
- Key learnings should be incorporated into the next phase.

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Recommendations: USDOL, Other US Government Donors, and Grantees

B. Project Modifications. Ensure that when significant changes are made to the project, the changes are reflected in project modifications and project documents.

- For example, changes to project monitoring and evaluation system, personnel, and budgets.
- Also, changes to project design such as theory of change, logic model, and results framework including indicators.

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Recommendations: USDOL, Other US Government Donors, and Grantees

C. Training Needs Assessments (Diagnostics). Conduct institutional training needs assessments to ensure training is designed to build the capacity of participants to perform their job responsibilities and match the participant's experience and skill level.

- Trainee supervisors should provide input to the kind of skills and knowledge required to improve job performance.
- This information should be used to design and evaluate training.

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Recommendations: USDOL, Other US Government Donors, and Grantees

D. Application of Knowledge and Skills. Conduct assessments of how individuals and institutions that received technical assistance and training are applying new knowledge and skills to achieve objectives.

- Conduct post training assessments to determine how the participants are applying new skills and knowledge in their jobs to learn and adjust.

Recommendations: USDOL, Other US Government Donors, and Grantees

E. Sustained Linkages. Where collaboration and coordination between key government institutions are critical to the success of the project, the project should have a strategy to create and sustain effective linkages.

- Steering committees instrumental in helping create linkages between LMI institutions
- Neither ILAB nor its grantees can require national institutions to collaborate
- So, the most effective strategy will be one that provides strong incentives and value add for the institutions to collaborate

Recommendations: USDOL, Other US Government Donors, and Grantees

F. Labor Market Information Projects. Consider developing and funding labor market information and exchange projects that make labor market information available to policy makers, workforce development programs, and to the public in user-friendly formats.

- LMI is often not used by jobseekers, youth, and underserved communities because it is not available to the public in user-friendly formats.
- USAID and other international cooperation agencies invest significantly in employment and workforce development programs.
- ILO one of handful of international organizations that promotes LMI and exchange systems.
- LMI appears to be an important unmet need.

Survey Data Analytics

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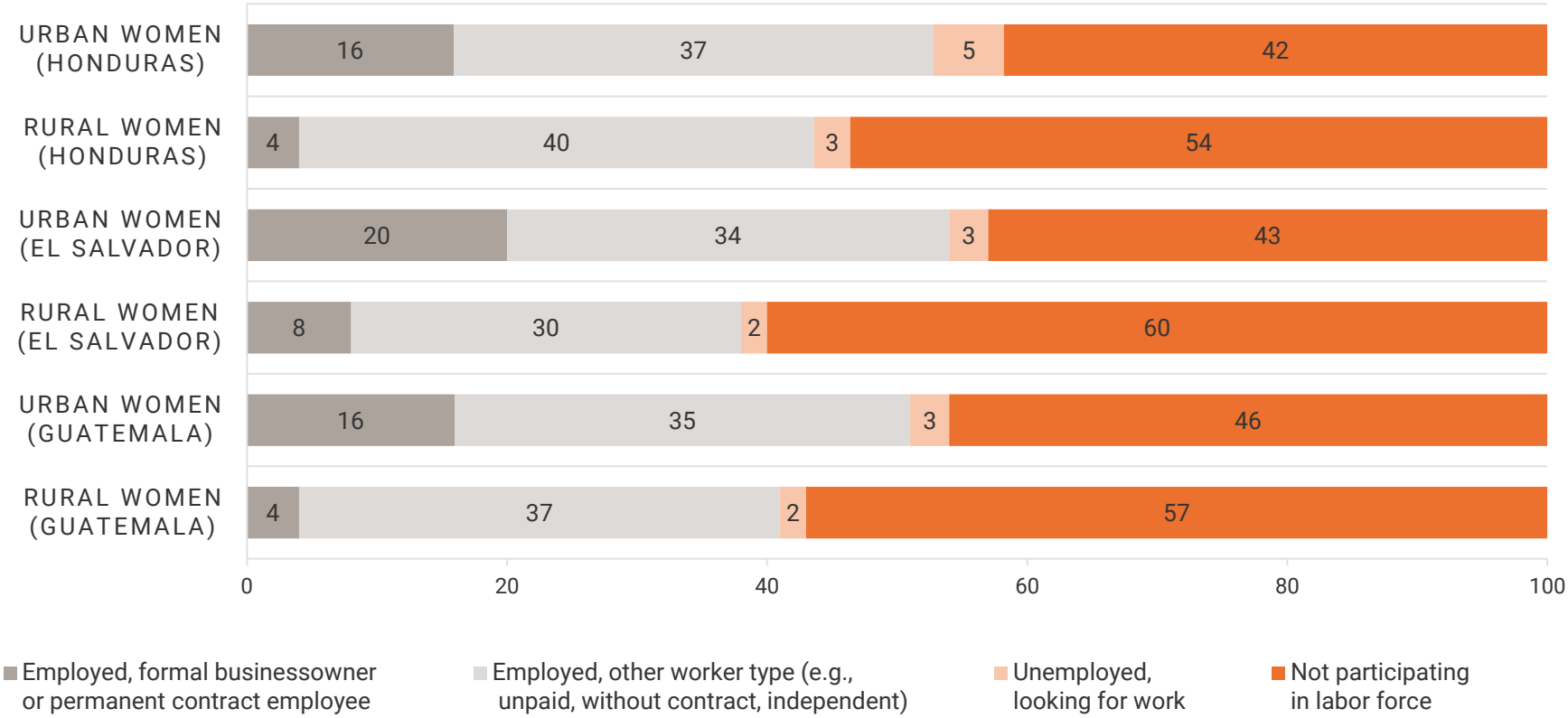
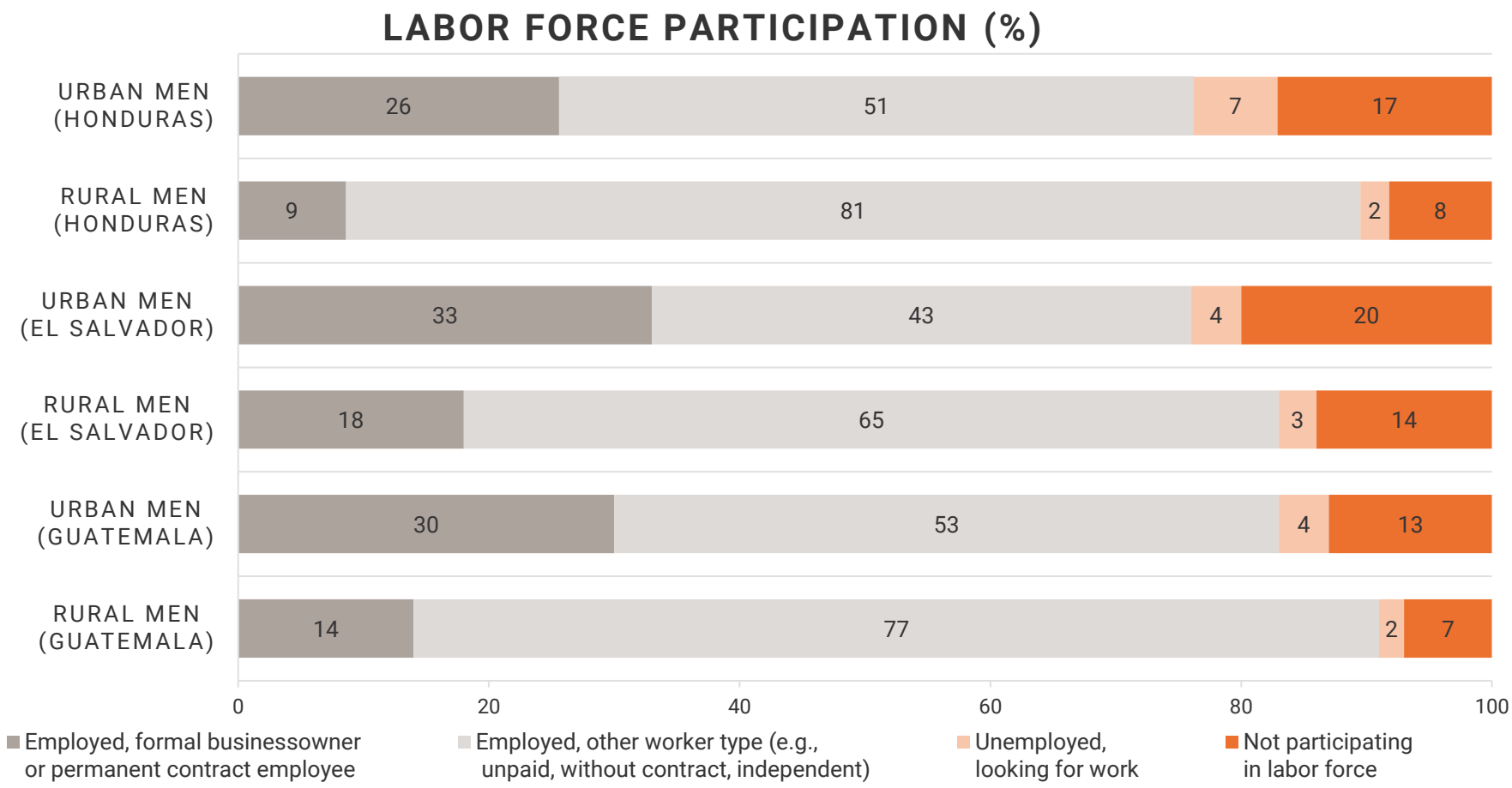
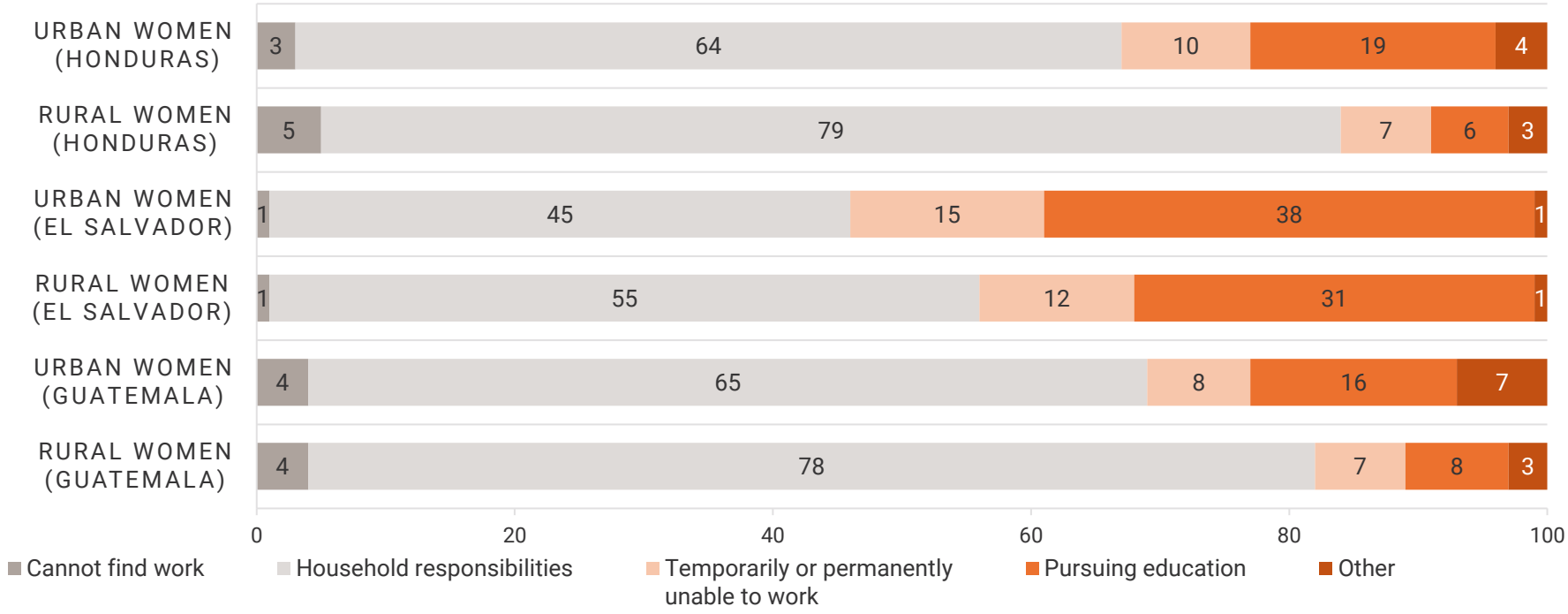
LABOR FORCE PARTICIPATION (%)

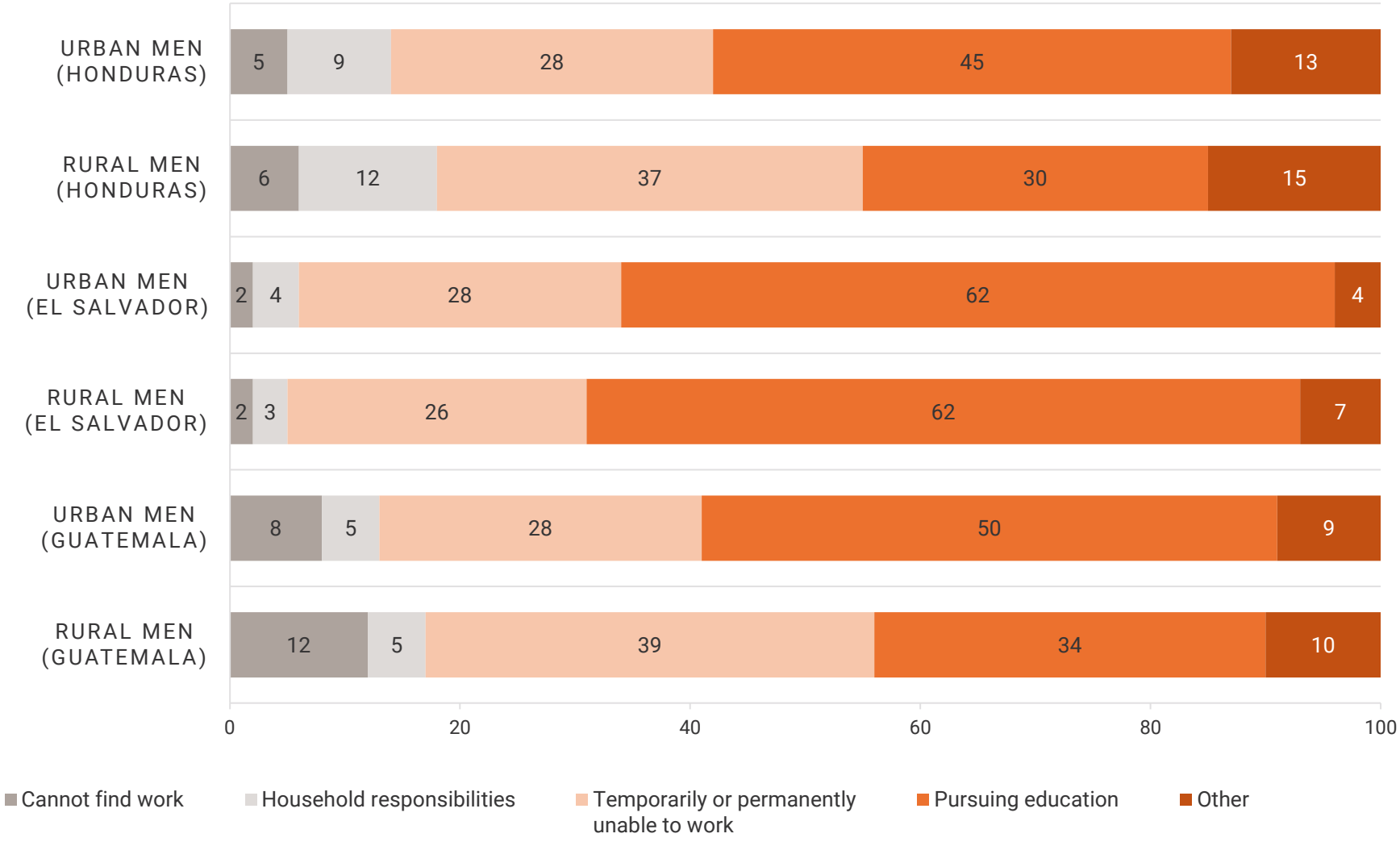



LABOR FORCE PARTICIPATION (%)
URBAN MEN (HONDURAS)
26
51
7
17
RURAL MEN (HONDURAS)
9
81
2
8
URBAN MEN (EL SALVADOR)
33
43
4
20
RURAL MEN (EL SALVADOR)
18
65
3
14
URBAN MEN (GUATEMALA)
30
53
4
13
RURAL MEN (GUATEMALA)
14
77
2
7
0
20
40
60
80
100
Employed, formal businessowner or permanent contract employee
Employed, other worker type (e.g., unpaid, without contract, independent)
Unemployed, looking for work
Not participating in labor force

REASONS FOR NOT PARTICIPATING IN LABOR FORCE (%)



REASONS FOR NOT PARTICIPATING IN LABOR FORCE (%)



EL SALVADOR

ECONOMIC SECTORS WITH HIGHEST WAGE GROWTH BETWEEN **2015 AND 2020** (PERCENTAGE)

FORMAL ECONOMY

59%

Transportation, storage, and communications

INFORMAL ECONOMY: URBAN

31%

Manufacturing

INFORMAL ECONOMY: RURAL

32%

Commerce, hotels, and restaurants

HONDURAS

ECONOMIC SECTORS WITH HIGHEST WAGE GROWTH BETWEEN **2018 AND 2019** (PERCENTAGE)

FORMAL ECONOMY

25%

Finance and Insurance

INFORMAL ECONOMY: URBAN

49%

Water and Sanitation

INFORMAL ECONOMY: RURAL

49%

Transportation and Storage

GUATEMALA

ECONOMIC SECTORS WITH HIGHEST WAGE GROWTH BETWEEN **2010 AND 2021** (PERCENTAGE)

FORMAL ECONOMY

60%

Public administration, defense, teaching, healthcare, and social services

INFORMAL ECONOMY: URBAN

60%

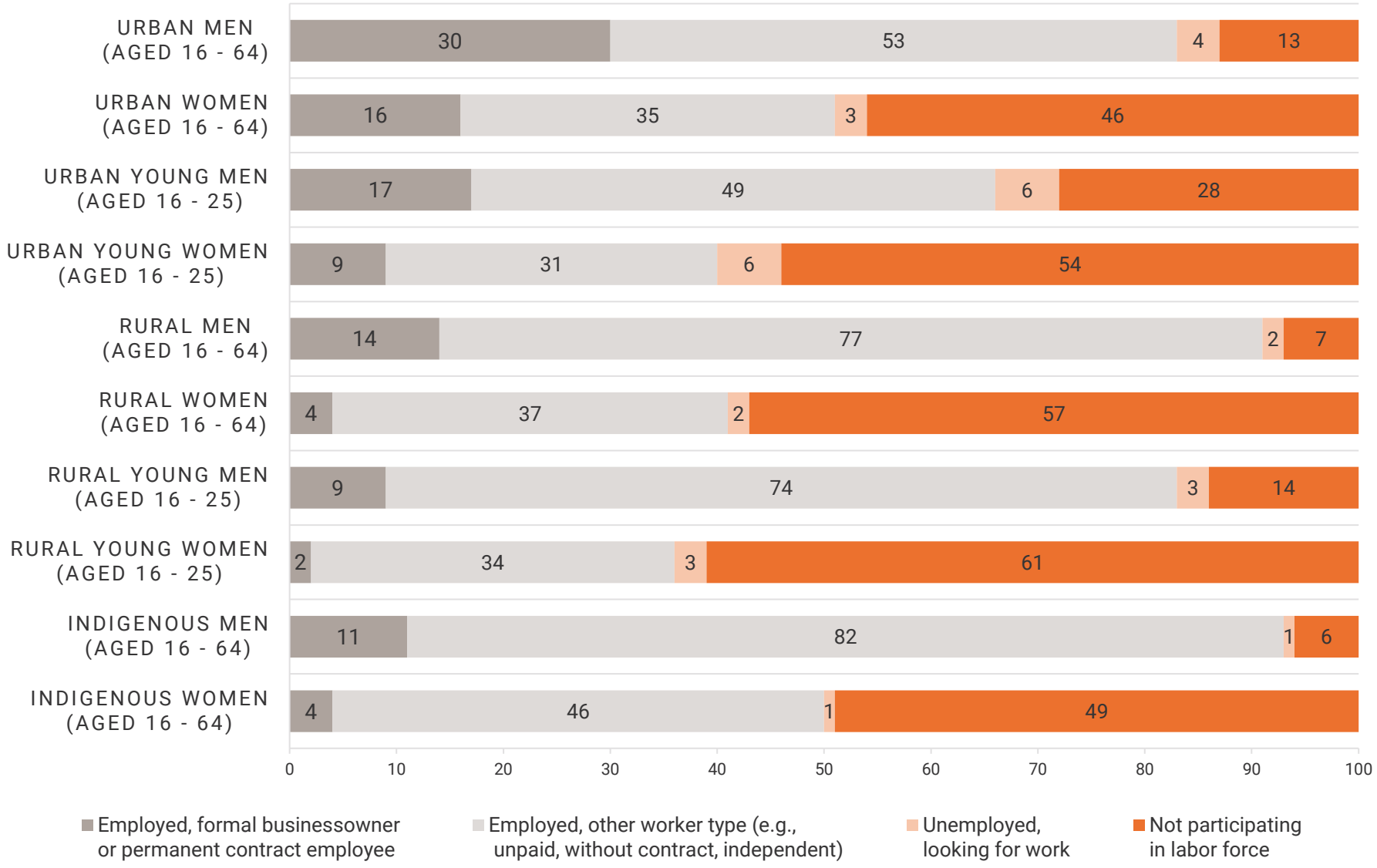
Professional, scientific, technical, and administrative services

INFORMAL ECONOMY: RURAL

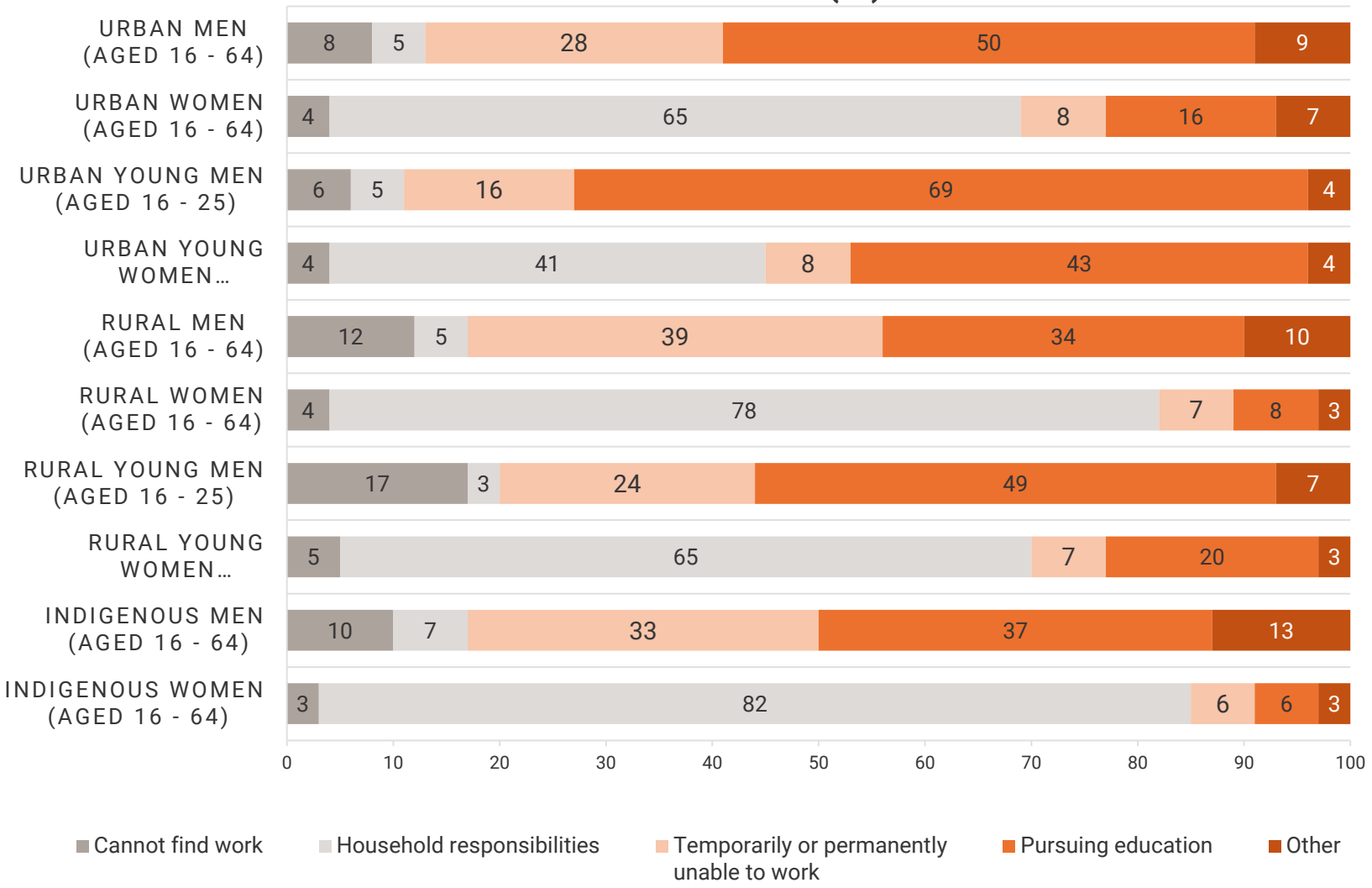
95%

Public administration, defense, teaching, healthcare, and social services

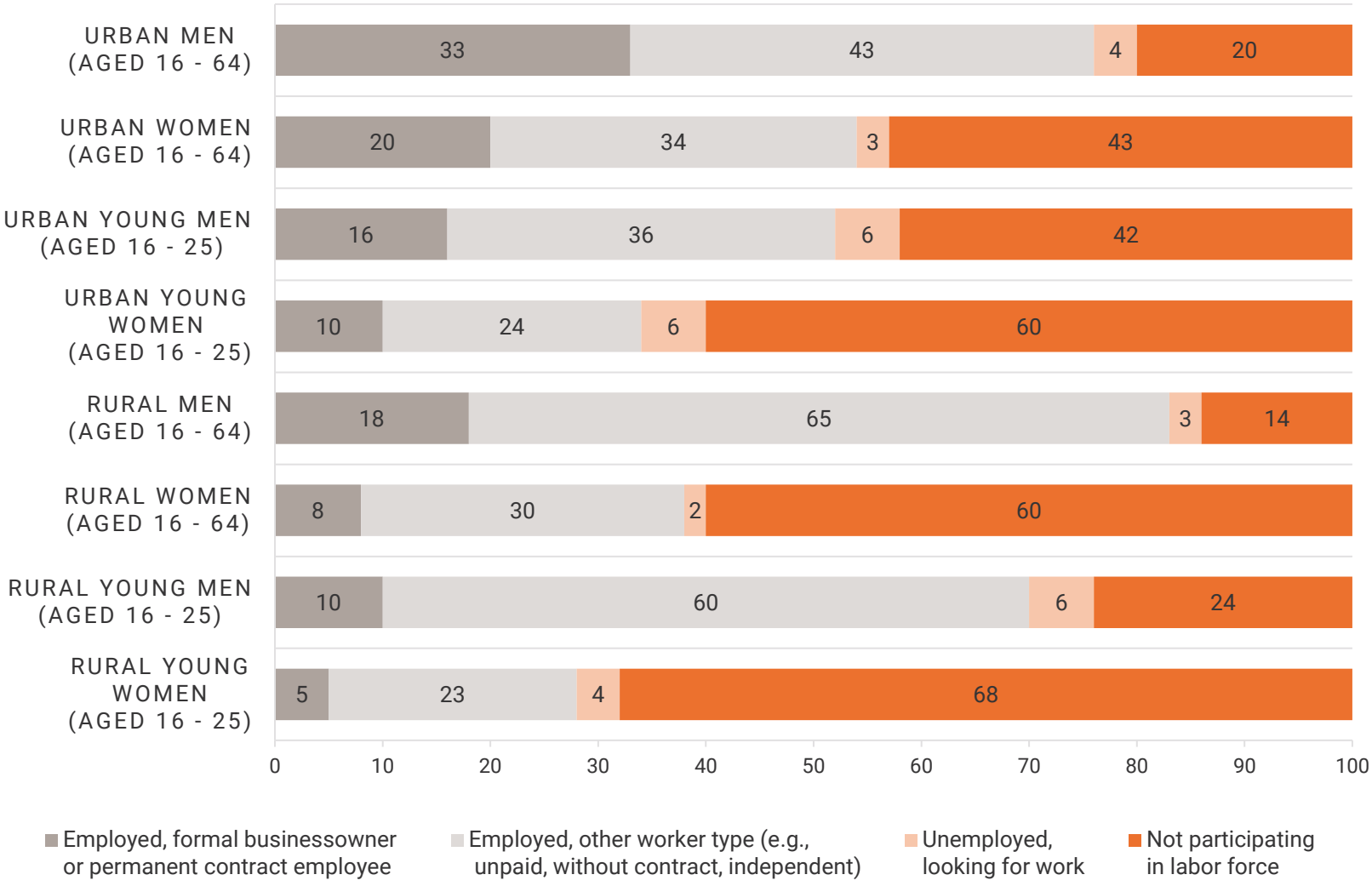
LABOR FORCE PARTICIPATION GUATEMALA (%)



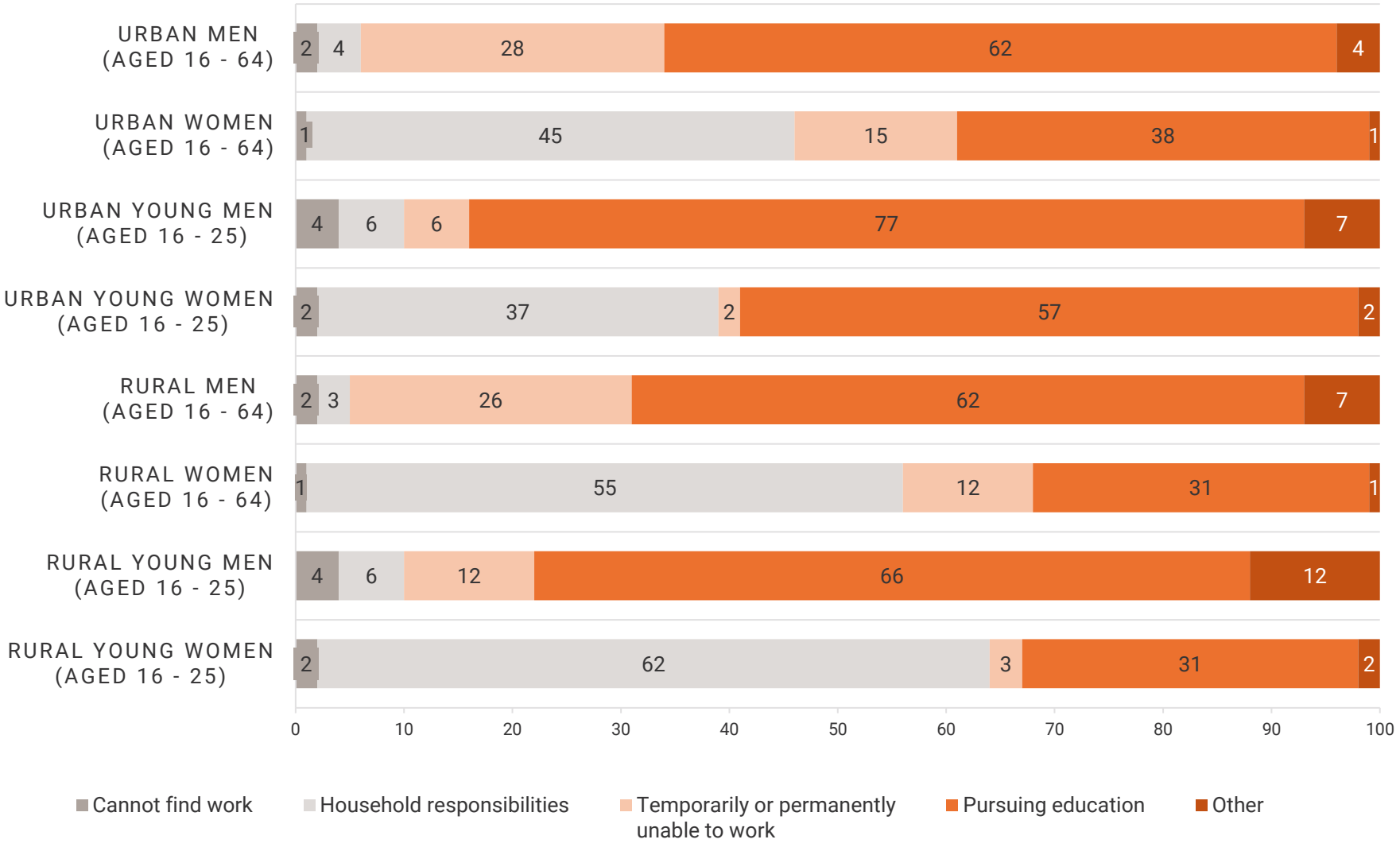
REASONS FOR NOT PARTICIPATING IN LABOR FORCE GUATEMALA (%)



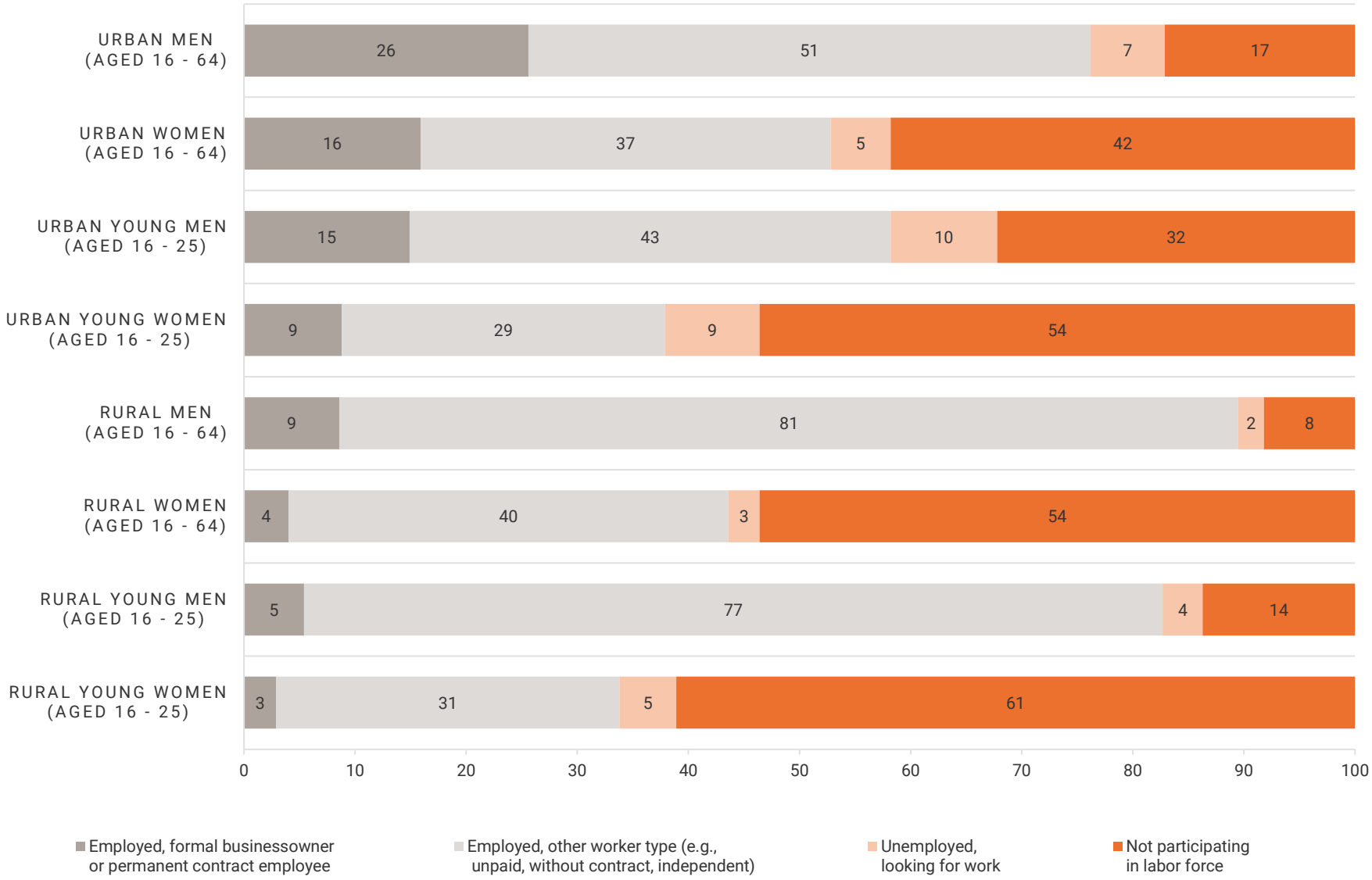
LABOR FORCE PARTICIPATION
EL SALVADOR (%)



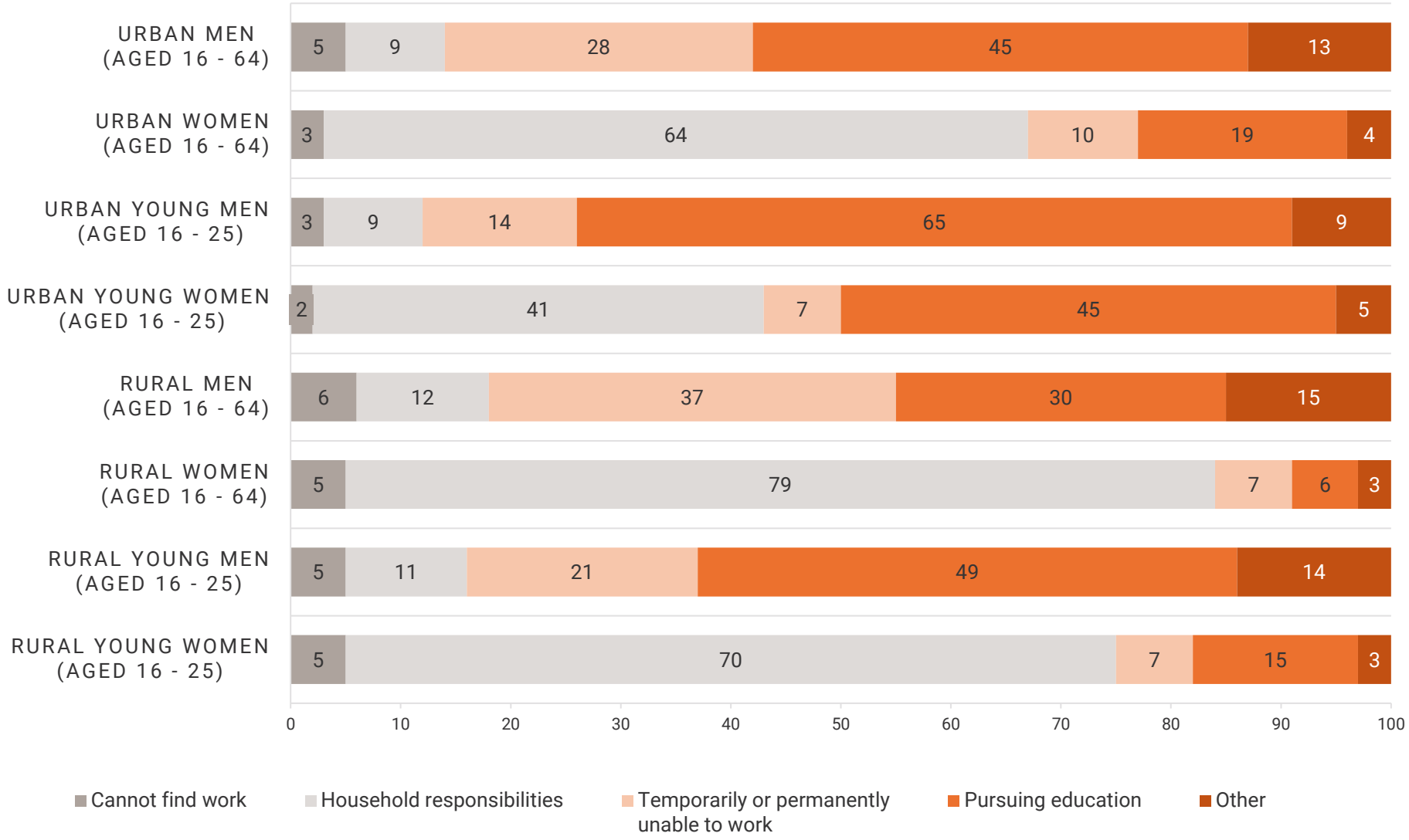
REASONS FOR NOT PARTICIPATING IN LABOR FORCE EL SALVADOR (%)



LABOR FORCE PARTICIPATION
HONDURAS



REASONS FOR NOT PARTICIPATING IN LABOR FORCE HONDURAS



Access to project and evaluation materials:

https://www.dol.gov/agencies/ilab/leveraging-data-build-efficient-labor-market-central-america

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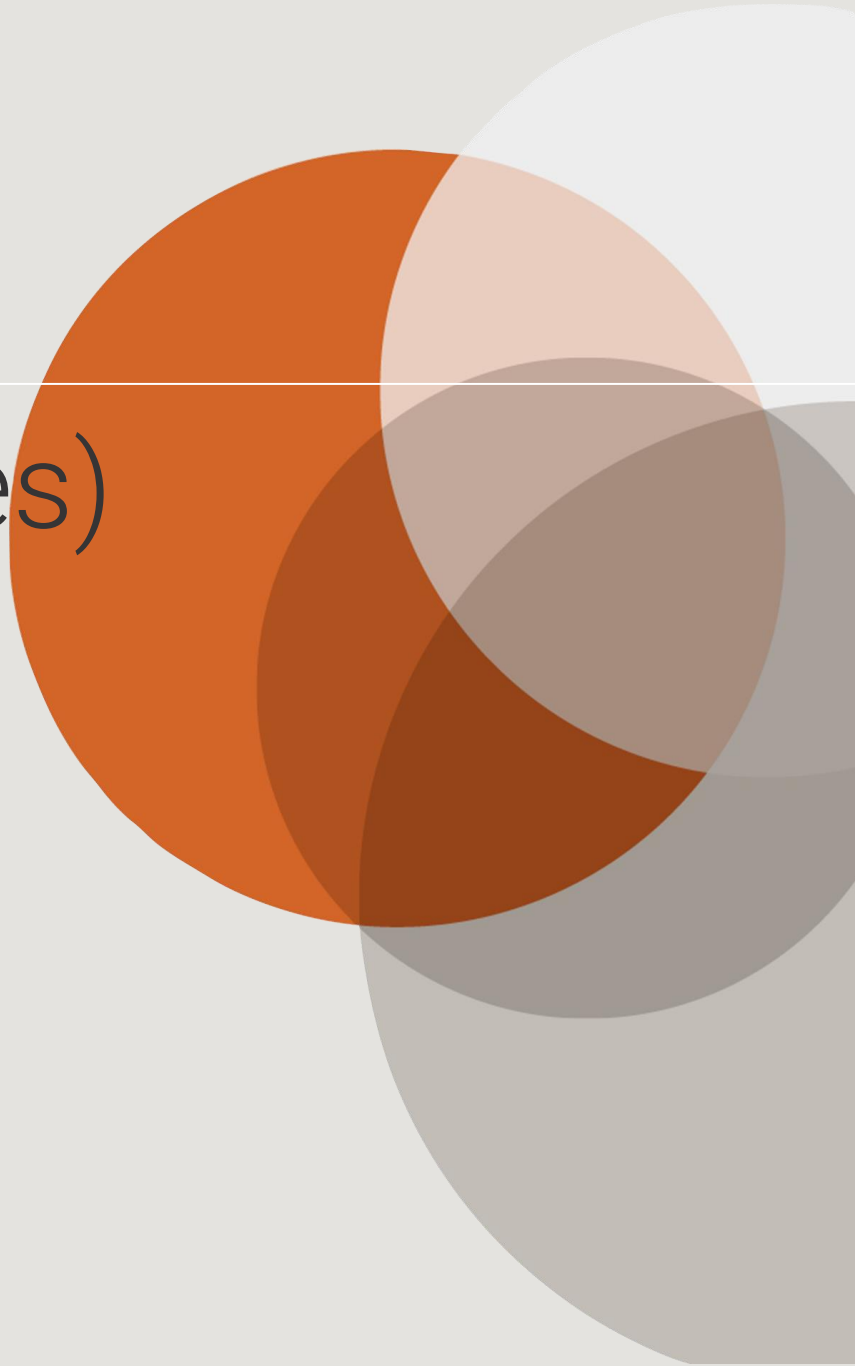
Questions & Answers

Host reads questions and assigns to panel members

Break (5 minutes)



Conversation

American Institutes for Research (AIR), DIGESTYC, INE-Guatemala, INE Honduras

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Closure

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Thank you.

Carlos Echeverria-Estrada
Research Scientist
Echeverria-carlos@norc.org

Dan O'Brien
Lead Evaluator
Obrien@obrienandasociates.org

Greg Haugan
Quantitative Specialist
Haugan-gregory@norc.org

Acronyms

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Acronyms

- CIIU4 HN - Clasificador Industrial Uniforme de Actividades Económicas (National Economic Activities Classifier)
- CLAEES - Clasificación de Actividades Económicas de El Salvador (Classifier of Economic Activities of El Salvador)
- CNOES - Clasificación Nacional de Ocupaciones de El Salvador (National Classification of Occupations of El Salvador)
- CNOH 18 - Clasificador Nacional de Ocupaciones de Honduras (National Occupational Classifier of Honduras)
- COTICNOH - Comité Técnico Interinstitucional de Clasificaciones de Honduras (Interinstitutional Technical Committee of Classifiers of Honduras)
- DIGESTYC - Dirección General de Estadística y Censos (General Directorate of Statistics and Census)

Acronyms

- EHPM - Encuesta de Hogares de Propósitos Múltiples (Multiple Purpose Household Survey)
- ENEI - Encuesta Nacional de Empleo e Ingresos (National Employment & Income Survey)
- EPHPM - Encuesta Permanente de Hogares de Propósitos Múltiples (Permanent Multiple Purpose Household Survey)
- FLACSO - Facultad Latinoamericana de Ciencias Sociales (Latin American Social Sciences Institute)
- ICLS/CIET - International Conference of Labor Statisticians (Conferencia Internacional de Estadísticos del Trabajo)
- ILO/OIT - International Labor Organization/Organizacion Internacional de Trabajo
- INE - Instituto Nacional de Estadística (National Institute of Statistics)
- INGUAT - Instituto Guatemalteco de Turismo (Guatemalan Institute of Tourism)

Acronyms

- ISIC/CIIU - International Standard Industrial Classification (Clasificación Industrial Internacional Uniforme de Todas las Actividades Económicas)
- ITCA - Instituto Tecnológica Centroamericana (Central American Technology Institute)
- LMI/IML - Labor Market Information (Información del Mercado Laboral)
- LMI Project - Leveraging Data to Build an Efficient Labor Market in El Salvador, Guatemala, and Honduras Project
- OCSE - Oficina de Coordinación del Sistema Estadístico (National Employment Statistics Coordination Office)
- SIMEL - Sistema de Información del Mercado Laboral (Labor Market Information System)
- UCA - Universidad Centroamericana José Simeón Cañas (Central American University José Simeón Cañas)

Acronyms

- ISCO/CIUO - International Standard Classification of Occupations (La Clasificación Internacional Uniforme de Ocupaciones
- UNAH - Universidad Nacional Autónoma de Honduras (National Autonomous University of Honduras)
- URL - Universidad Rafael Landivar (University Rafael Landivar)
- USAID - United States Agency for International Development (Agencia Internacional de Desarollo de los Estados Unidos)
- USDOL - United States Department of Labor (Departamento de Trabajo de los Estados Unidos)
- UVG - Universidad del Valle Guatemala (University of the Valley Guatemala)

Data Quality Assessment

Establishment Surveys (Rounds 1 and 2)

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Data Quality Considerations – 2015 and 2020 Multi-Purpose Household Survey (EHPM) - El Salvador

Timeliness

- Are data available frequently enough to inform policymaking decisions?
  - SOMEWHAT

Precision

- Are the margins of error acceptable for program/policy decision making?
  - NO
- Does the collected data allow for disaggregated analysis for traditionally underserved populations?
  - YES

Usability

- Is the data easy for outside users to access?
  - YES
- Is the available data well-documented, labelled, properly formatted, and easy enough to understand to be usable for outside users?
  - NO
- Does the data have wide enough geographic coverage to inform policy making decisions?
  - YES

Data Quality Considerations - 2015 and 2020 National Employment & Income Survey (ENEI) -Guatemala

Timeliness

- Are data available frequently enough to inform policymaking decisions?
  - NO

Precision

- Are the margins of error acceptable for program/policy decision making?
  - NO
- Does the collected data allow for disaggregated analysis for traditionally underserved populations?
  - YES

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  - YES

Data Quality Considerations – 2015 and 2020 Honduras Permanent Multi-Purpose Household Survey (EPHPM).

Timeliness

- Are data available frequently enough to inform policymaking decisions?
  - NO

Precision

- Are the margins of error acceptable for program/policy decision making?
  - NO
- Does the collected data allow for disaggregated analysis for traditionally underserved populations?
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