

LEARNING BRIEF

Job Decency and Job Quality in Youth Employment

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FOREWORD

This brief is part of the **learning brief series**. The series of learning briefs distills six years of implementation experience from the **Challenge Fund for Youth Employment (CFYE)** into practical insights for designing and delivering youth employment programmes. Drawing on evidence across sectors and geographies, the briefs examine **what has worked, what has proved challenging, and which approaches have delivered sustainable outcomes for young people and businesses**.

Each brief focuses on a theme such as **delivery model, inclusion, business growth, or innovation**; covering topics ranging from job quality and gender inclusion to partner selection, localisation, and results-based financing. Together, the series moves beyond theory to offer **actionable guidance for practitioners, funders, and policymakers shaping future employment initiatives**.

Date Published: March 19, 2026

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WHY THIS BRIEF?

For youth employment initiatives, generating jobs is only part of the challenge; **the quality of those jobs ultimately determines their impact on young people's lives.** Across the countries where the Challenge Fund for Youth Employment (CFYE) operates, most young people are not unemployed but under-employed, **working in informal, low-paid, insecure or hazardous jobs with limited prospects for progression.**

Improving the quality of existing work is therefore often as important as creating new jobs. In practice, several CFYE-supported business models, particularly intermediaries working with SMEs or partners working in informal value chains, **improvements to existing jobs accounted for a large share of outcomes.**

This learning brief outlines **CFYE's approach to promoting job decency and strengthening job quality** across a diverse portfolio, highlighting lessons on **how programmes can support meaningful improvements for workers while remaining aligned with business realities.**



KEY INSIGHTS

A Minimum Bar is Essential, but **Context is Critical**

CFYE began with a strong emphasis on job decency aligned with International Labour Organization (ILO) standards; **productive work for women and men in conditions of freedom, equity, security, and human dignity**. This established a non-negotiable baseline: all jobs supported by CFYE must respect fundamental labour rights.

In parallel, CFYE introduced **criteria for minimum employment duration and income thresholds within challenge calls**. However, applying a single income standard proved difficult across countries, sectors and job types. Initial efforts to align with living wage benchmarks highlighted the challenge. Research conducted with [NewForesight and implementing partner Balloon Ventures](#) in Mbale, Uganda showed that **although SMEs in their loan portfolio already paid above regional averages, wages would need to increase two to three times to reach a living wage threshold**, illustrating the gap between aspirational benchmarks and what small firms could realistically sustain.

We therefore turned to **labour laws as a guiding reference point**. This worked well for formal waged employment, in contexts where legislation was clear and enforced. Yet CFYE encountered contexts where minimum wage frameworks were outdated (Uganda) or changed mid-programme (Nigeria and Egypt).

Moreover, **minimum wage laws rarely apply in informal labour markets** including gig work, self-employment and seasonal work, where earnings are often beyond partners' direct control.

CFYE therefore recognised that while a common floor aligned with ILO conventions is necessary, **rigid income requirements risked excluding meaningful livelihoods**.

Context-sensitive interpretation became essential leading CFYE to work with implementing partners to **develop customised outcome definitions suited to each context and job type**.

For example, observing the challenges faced by partners in Kenya's creative sector, where income opportunities are often irregular and frequently combined with education or other work – CFYE commissioned research to help partners **strengthen monetisation strategies and define a feasible benchmark for improved earnings**.



KEY INSIGHTS

This resulted in an adjusted income threshold of KES 30,000 over three months, **reflecting the sector's lumpy income patterns and the fact that creative work often supplements other employment or studies**. In other cases, partners complemented wages with benefits that reduced workers' out-of-pocket costs. ThriveAgric in Nigeria, for instance, provides transport subsidies and data allowances to support rural field agents.

While this customised approach enabled **more realistic and relevant standards**, it required **more intensive programme support** and made **cross-country comparison of job outcomes more challenging**.

Job Quality Goes Beyond Income and Depends on Youth Perspectives

CFYE's research showed that while income matters deeply to young people, other aspects of job quality are equally important. **Respectful treatment, a positive work environment, mentorship, childcare availability, meaningful work, and opportunities for progression all influence youth preferences**. These priorities vary by sector and context; for example, agricultural workers often prioritise income stability while youth in digital sectors may value flexibility.

CFYE therefore adopted a flexible framework that treats job quality as a continuum, structured around three core dimensions: **(i) wages and earnings, (ii) working conditions, and (iii) job security**. This framework allowed implementing partners **to identify priorities most relevant to their context and target group**, in some cases aided by technical assistance from CFYE.

One example comes from Uganda's waste sector. Eco Brixs **improved working conditions for waste collectors**, referred to as resource recovery agents, **by moving plastic collection away from hazardous landfill sites into organised buy-back centres and introducing safer working conditions and transparent purchasing processes**.

The company also **developed targeted social benefits**, including temporary price increases during school-fee periods, on-site nurses providing first aid and referrals, and access to childcare and clinic facilities. These interventions were developed through a **human-centred design process** that engaged waste collectors and micro-franchisees in identifying practical solutions to their daily challenges.

Decent Work vs. Job Quality Improvement



KEY INSIGHTS

Job Quality Improvements **Must Also Make Business Sense**

Sustainable job quality improvements must align with business incentives such as productivity, retention, reputation, or access to markets. When this balance is misjudged, partners can lean in either two directions. At one extreme, **improvements may prove financially unsustainable.**

One partner in the renewable energy sector offered salaried positions with benefits and commissions for sales agents, but the model proved financially unsustainable and had to be scaled back. At the other extreme, **partners may focus on improvements that are easy to implement but do little to address underlying job quality constraints;** an issue CFYE observed early in implementation when some partners prioritised simple actions such as distributing personal protective equipment.

These early experiences prompted a programme shift toward **requiring more substantive improvements, encouraging partners to move beyond one-off actions toward more comprehensive packages** that strengthened both working conditions and business performance. To support more durable and meaningful change, CFYE engaged partners in **active dialogue to make the case for more substantial interventions.** Support included an online module ([now publicly available](#)), group coaching sessions, and the [Youth Quality Work Journey \(YQWJ\) tool](#) to help businesses diagnose job quality challenges and identify solutions.

Youth development emerged as one of the most common approaches to improving job quality, often benefiting both workers and businesses. **Training, mentoring, and career growth pathways helped young workers build skills while improving productivity and retention for employers.**

For example, a business process outsourcing company in Nigeria introduced structured coaching, mentoring and internal promotion pathways for young employees, **reducing early-career attrition while creating a pipeline of team leaders promoted from within.** Despite the widely observed benefits, the return on investment of job quality improvements was rarely measured across the portfolio, reflecting a broader gap in evidence on their business impacts.

In other cases, **improvements in working conditions and worker support systems also strengthened operational performance.** At Eco Brixs, for example, waste worker-focused improvements were followed by a 36% increase in plastic volumes collected at two pilot sites, alongside improvements in income stability and safety practices among collectors.



ACTIONABLE GUIDANCE

- Focus on what matters to workers – and what can last for firms

Future programmes should prioritise job quality dimensions that youth value, while ensuring changes remain economically viable. For example, formal contracts can benefit both workers (through predictability and rights) and firms (through clearer expectations and lower turnover).

Investments in training and career development can similarly strengthen both worker skills and business performance. In practice, improvements may need to be introduced progressively and often work best as complementary packages. This requires aligning worker voice with business logic, so improvements reflect worker priorities while remaining feasible for firms.

- Provide early, structured technical assistance

Partners often require support to diagnose job quality constraints, select meaningful indicators, set realistic improvement thresholds, and measure outcomes. Earlier, sector-specific guidance such as occupational health and safety expertise or worksite audits, could further strengthen results.

- Strengthen measurement and evidence

Measuring job quality outcomes remains challenging. Partners often defaulted to tracking provision of outputs (e.g. workers receiving PPE or training) rather than changes in worker experience. Many partners struggled to capture income change of self-employed youth. These challenges are amplified in intermediary models, where programmes are several steps removed from the firms and workers where job quality changes actually occur.

Programmes should invest in practical approaches that capture worker experiences alongside performance metrics such as productivity and retention, enabling course correction and deeper understanding of how job quality improvements affect workers and businesses.



INNOVATION SPOTLIGHT

UGANDA & KENYA: FORMALISING JOBS THROUGH SME FINANCE AND BUSINESS SUPPORT

KEY OUTCOMES



Contract formalisation increase from 2% to 92%



Clearer workplace policies and written agreements



Phased approach allowed realistic and sustainable improvements

Balloon Ventures

Balloon Ventures demonstrates how financial intermediaries can promote job quality improvements at scale among small and growing businesses.

Through its lending programme in Uganda's secondary cities, the organisation links access to finance with a "Good Jobs" framework, encouraging firms to **formalise employment relationships and strengthen management practices**. The approach evolved through close collaboration with CFYE as both organisations tested how job quality standards could be applied within early-stage SMEs.

Early requirements proved unrealistic for many businesses, prompting an adjustment in the sequencing of improvements. Businesses receiving loans are now **first supported to introduce written employment contracts and clearer workplace policies**.

As firms grow, **additional incentives encourage improvements in wages**. This phased approach reflects the realities faced by small firms, allowing job quality improvements to evolve alongside business growth. Across Balloon Ventures' portfolio, this model helped increase contract formalisation from 2% to 92%. Rather than imposing rigid requirements from the outset, **the approach supports progressive improvements that are both meaningful for workers and sustainable for firms**.



LOOKING AHEAD

CFYE's learning suggests that **establishing minimum standards is necessary but insufficient**. Achieving lasting improvements in job quality **requires sustained engagement that helps firms embed practical, progressive improvements** within their operational and management systems.

While increasing employment opportunities remains essential, simply expanding low-quality work does little to improve young people's livelihoods. In many contexts, **improving the quality of existing jobs may be a more immediate and scalable pathway to impact**.

Key questions for future programmes include:

- *How durable are job quality improvements after programme support ends?*
- *Which sector-specific standards and benchmarks are most useful in informal labour markets?*
- *How can worker voice be systematically incorporated without overburdening partners?*
- *How can programmes better measure and quantify the business returns of job quality improvements, such as productivity gains, reduced turnover, or improved employee engagement?*

As youth employment initiatives increasingly widen their focus beyond job numbers, job quality must remain central – not as an add-on, but as a core measure of success.

