



Beyond Employed or Unemployed: Development and Validation of a Youth Economic Engagement Ladder in Dar es Salaam, Tanzania

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Abstract

In informal urban labour markets the employed and unemployed binary conceals more than it reveals, since young people whose work yields neither income nor security appear as employed and fall outside the population programmes are funded to reach. The NEET indicator improves on it only at one end, leaving the working but insecure undifferentiated. This article develops and validates the Youth Economic Engagement Ladder, a five-band ordinal classification built from sequential combinations of four components: activity, income, regularity and security. The design is a cross-sectional instrument development and validation study. Structured interviews covered 290 marginalised young people aged 15 to 24 across four municipalities of Dar es Salaam, recruited purposively against three markers of marginality. Analysis used Wilson intervals, Cronbach's alpha, Holm adjusted trend tests, Cohen's kappa and nested logistic regression. The ladder places 35.2 per cent outside economic activity, 16.2 per cent in work yielding no income, 18.6 per cent in precarious paid work, 22.8 per cent in vulnerable engagement and 7.2 per cent in stable engagement, whereas the binary counts 64.8 per cent as employed, including all 47 who work without earning. Position rose across six of eight indicators after Holm adjustment. The study concludes that engagement quality and income are distinct quantities, and the ladder measures the former. The study recommends that programmes classify participants by band at intake and match provision to band, since bands face different constraints.

Introduction

How many of a country's young people are shut out of productive economic life? The answer depends upon how the question is measured, and the measures that govern national reporting and resource targeting were built for labour markets that most of the world's young people do not inhabit. In the urban labour markets of sub-Saharan Africa the employed and unemployed division breaks down, since being counted as employed may mean nothing more than selling small items at a roadside for takings that do not cover subsistence. Continental evidence puts the scale of the problem beyond dispute, with roughly nine in ten employed young Africans, some 273 million people, working informally, and about one third of the 304 million employed youth living in extreme poverty (World Data Lab et al., 2026). In Tanzania, informal employment stands at 94.6 per cent of total employment while youth unemployment among those aged 15 to 24 is



reported at 8.5 per cent (National Bureau of Statistics and Office of the Chief Government Statistician, 2025).

The consequence is not merely descriptive. Where the headline statistic reports that nine young people in ten are employed, the population that appears to require livelihood support is the residual tenth, and budget lines, targeting rules and programme eligibility criteria are written against that residual. Young people who work without earning, or who earn without regularity, are administratively indistinguishable from those in salaried posts, so resources intended to raise livelihood quality are allocated as though the problem were the absence of work and not its character. Analysts of African labour markets have long held that the binding constraint is the quality of employment and not its availability (Fox & Gandhi, 2021; World Bank, 2025a; World Data Lab et al., 2026).

It would be wrong to suggest that the statistical profession has ignored this. The International Conference of Labour Statisticians has developed a graduated family of labour underutilisation measures (International Labour Organisation, 2013). The difficulty lies downstream of that apparatus, since those measures classify people by attachment to the labour market and not by the quality of engagement, and are compiled as national aggregates rather than for application to an individual at intake. National reporting and resource targeting continue to rest upon the blunt binary rate, and the instruments that would refine it are not built for the operational task.

This article develops the Youth Economic Engagement Ladder, an ordinal classification that sorts young people by the stability and quality of their engagement instead of by whether they work at all. It specifies the instrument completely enough to be reproduced, applies it to 290 marginalised young people in Dar es Salaam, and confronts the objection that it merely restates income.

Theoretical and Empirical Literature

The limits of the employed and unemployed binary

The standard labour force framework classifies individuals as employed, unemployed or outside the labour force, with unemployment defined as being without work, available for work and actively seeking it (International Labour Organisation, 2013). In economies dominated by informal and subsistence activity this understates economic distress, because the unemployment rate captures only those who are both jobless and searching, while the far larger group of the underemployed and the working poor is recorded as employed (Filmer & Fox, 2014; Fox & Gandhi, 2021). Open unemployment is in some respects a condition of relative privilege, since the poorest cannot afford not to work and therefore appear, by the official measure, to be economically included. Tracer evidence from Mozambique found vocational graduates entering activity that satisfied the employment criterion while delivering neither income stability nor progression (Jones et al., 2021), and curriculum alignment analysis in Tanzania reaches comparable conclusions (Massi et al., 2026).

The NEET indicator and what it leaves untouched

The acronym NEET denotes young people who are not in employment, education or training. Originating in United Kingdom youth policy in the 1990s, it was adopted into international statistical practice and now appears within the Sustainable Development Goals framework as indicator 8.6.1. It is computed by classifying a young person on two criteria at once, namely whether they are in any form of employment and whether they are enrolled in education or training, and by counting those who satisfy neither. It improves upon the unemployment rate by capturing the discouraged who have ceased searching.

The measure nevertheless retains a binary character, and says nothing about the quality of work performed by the majority who fall outside it because they are nominally working, so a young person surviving on intermittent casual labour is indistinguishable from one in a salaried post.



Review of the indicator across sub-Saharan Africa questions whether it is fit for the region at all, since it was designed for contexts in which the alternative to formal employment is inactivity and not informal work (Cieslik et al., 2022).

Existing instruments for measuring engagement quality

Two traditions have attempted to measure what the binary omits, and the ladder should be placed against them and not presented as though the field were empty. The first is statistical and international. The nineteenth International Conference of Labour Statisticians defined a graduated family of labour underutilisation measures and set standards for identifying informal employment and for classifying status in employment, which includes a distinct category for contributing family workers (International Labour Organisation, 2013). Their limitation here is one of design and not of quality, since they classify by attachment to the labour market and by relationship to an employer, and are not intended for classifying an individual applicant at intake.

The second is the construction of multidimensional composites. The counting approach of Alkire and Foster (2011) underpins the global Multidimensional Poverty Index, and applied to employment it has produced job quality indices across forty developing countries, finding sub-Saharan Africa lowest (Hovhannisyan et al., 2022). Three features limit their application here. They are demanding in data, often requiring items household surveys in low income settings do not collect. They are built around formal sector employment, and the comparative job quality work is confined to wage employment, which excludes the self-employed and unpaid family workers who form the majority of working youth in Dar es Salaam. And they aggregate to a score, whereas targeting requires a small number of interpretable categories.

The gap this article addresses

What remains underdeveloped is a parsimonious and fully documented instrument that can be applied to the survey items ordinarily collected on marginalised youth, and that sorts them along a single interpretable gradient of engagement quality. Such an instrument earns its place on three properties: reproducibility from published rules, coherence without redundancy among its components, and alignment of its output with independent indicators in the direction theory predicts.

Methodology

Research design

The study is a cross-sectional instrument development and validation study. It is not a systematic review, an experiment or a longitudinal design, and no causal claim is made from it. The strategy proceeds in four stages: specification from stated rules, application to the survey data, assessment of reliability and validity against independent indicators, and testing against the single component most likely to account for its performance.

Study area

Data were collected in Dar es Salaam, the largest city and principal commercial centre of Tanzania, across four municipalities, namely Ilala, Kinondoni, Temeke and Ubungu. The city concentrates the country's informal urban labour market. Dar es Salaam comprises five municipalities, however, and Kigamboni was not covered, since the four included were the operational area of the youth economic empowerment programme through which the survey was fielded. The omission is not analytically neutral. Kigamboni is separated from the central municipalities by the harbour, retains substantial farming and fishing activity alongside beachfront tourism, and has a lower population density than Temeke or Ubungu, so its informal labour market is likely to differ in composition from those of the high density hubs. This is recorded as a limitation on the geographical reach of the distributional findings, and it does not bear upon the instrument's construction or validation.



Target population, sample size and sampling technique

The target population comprised marginalised young people aged 15 to 24 resident in the four municipalities. A survey conducted between April and May 2026 covered 290 respondents, 176 female and 114 male, with a mean age of 19.1 years (SD 2.4). Those aged 15 to 17 numbered 92, or 31.7 per cent, and those aged 18 to 24 numbered 198, or 68.3 per cent, with 67 respondents in Ilala, 82 each in Kinondoni and Temeke, and 59 in Ubungo.

Respondents were recruited purposively against three concurrent markers of labour market marginality: absence of work or intermittent informal activity, absence of any formal financial account or credit relationship, and dependence upon family and neighbourhood contacts, and not institutional channels, to find work. The markers were applied together as a profile of marginality and not as absolute exclusion criteria, and Section 5.7 reports the consequence for the financial inclusion analysis. The survey formed part of a programme requiring at least 60 per cent of participants to be adolescent girls and young women, so the achieved composition of 60.7 per cent female follows from that quota. The distributions reported are properties of this sample, not estimates for the youth of Dar es Salaam.

Variables of the study

One proposition underlies the ladder. Economic engagement in an informal labour market is not a single condition but the conjunction of four: whether a young person is economically active at all, whether that activity produces income, whether the income arrives predictably, and whether the working arrangement offers any security. A young person may satisfy the first without the second, as in unpaid family enterprise, or the second without the third, as in casual day labour, and each conjunction describes a different economic position. Four components are therefore defined, each drawn from a single survey item and coded explicitly so that the classification can be rebuilt elsewhere (Table 1).

Table 1: Components, coding and band construction rules of the Youth Economic Engagement Ladder

Component	Survey item	Coding	Threshold for band assignment
Activity	Currently engaged in any economic activity	0 = no, 1 = yes	Any activity
Income	Reported monthly earnings from that activity	0 = none, 1 = under TZS 100,000, 2 = 100,000 to 250,000, 3 = above 250,000	Any income above zero
Regularity	Reported pattern of income	0 = none, 1 = irregular, 2 = seasonal, 3 = stable monthly	Seasonal or better
Security	Working arrangement	0 = casual day labour or none, 1 = apprenticeship or own account self-employment, 2 = formal contract	Apprenticeship or better
Band	Label	Rule	Economic meaning
0	Disengaged	Activity = 0	No economic activity of any kind, so no earnings and no work-based route to one
1	Unremunerated	Activity = 1 and Income = 0	Working without pay, typically in family enterprise or unpaid apprenticeship, so labour is supplied but no income results
2	Precarious	Activity = 1, Income above 0, Regularity below 2 and Security = 0	Earning, but income arrives unpredictably and the arrangement offers no continuity, so no forward commitment is possible



3	Vulnerable	Activity = 1, Income above 0, and exactly one of Regularity at 2 or above, or Security at 1 or above	Earning with either predictable timing or a continuing arrangement, but not both
4	Stable	Activity = 1, Income above 0, Regularity at 2 or above, and Security at 1 or above	Earning predictably within a continuing arrangement, the minimum position from which saving, borrowing and investment become feasible

Source: Author's construction

The five bands are formed from sequential combinations of the four components and not from a count of them, which is why four components yield five positions. Activity separates band 0 from the rest, and income then separates band 1 from bands 2 to 4. Among those with income, the two remaining components act as a pair, so that satisfying neither gives band 2, satisfying either one gives band 3, and satisfying both gives band 4. Every respondent resolves to exactly one band, and Figure 1 sets out the rule as applied to this sample.

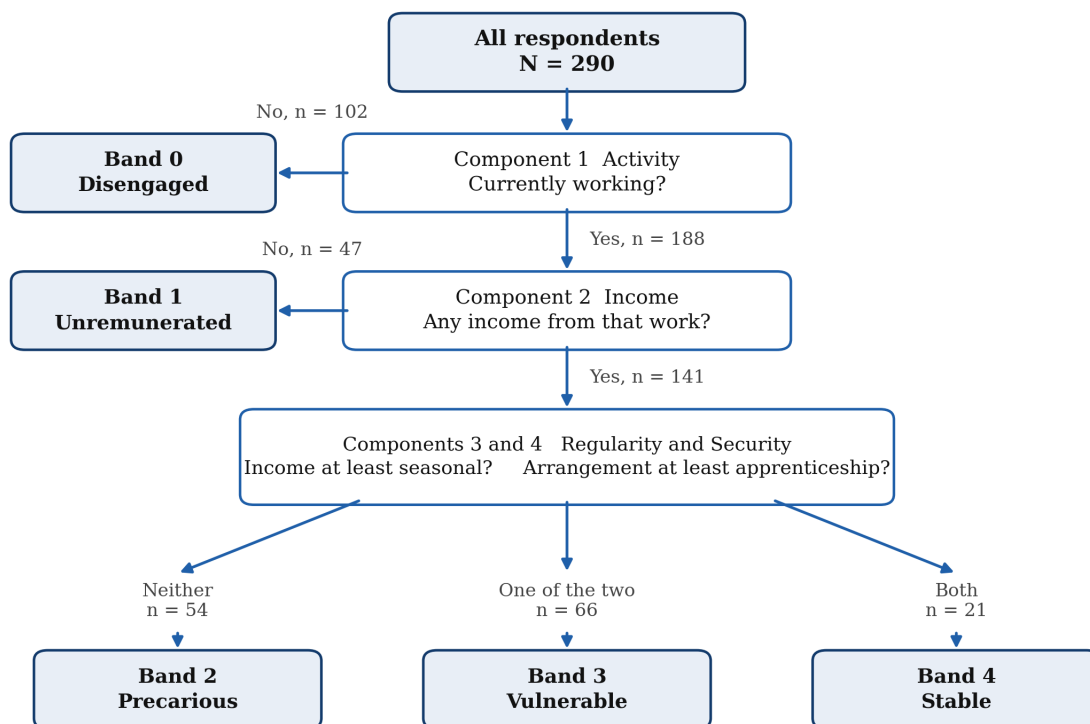


Figure 1: The classification rule applied to the study sample

Source: Field data.

Data collection

Data were collected through structured interviews administered by trained enumerators. Two comparator measures are constructed for Section 4.1. The standard binary classifies a respondent as employed where activity equals one, and the NEET measure classifies a respondent as not in employment, education or training where activity equals zero and the respondent reports neither student status nor training. Non-response on the four components is structural, since respondents not working were not asked about working arrangements and those reporting no income were not



asked about regularity. Both skip patterns match exactly, at 102 and 149 cases, and the ladder assigns these respondents the floor value on the skipped component by definition and not by imputation.

Data analysis

Proportions are reported with 95 per cent Wilson score confidence intervals, which perform better than the normal approximation at these cell sizes (Wilson, 1927). Internal consistency was assessed using Spearman rank correlations, Cronbach's alpha, and alpha recomputed with each component omitted in turn, and was interpreted in the light of guidance cautioning against fixed thresholds for short composites whose components capture distinct facets (Taber, 2018).

Convergent validity was tested against eight indicators drawn from domains not used in construction, principally financial inclusion, asset ownership and programme reach. For each, the Spearman correlation with the ordinal band is reported with a Fisher z interval, together with a linear by linear association test of trend, with probabilities adjusted by the Holm procedure across all eight. Agreement with the conventional measures was quantified using Cohen's kappa (McHugh, 2012).

The critical test concerns discriminant validity against income, since an instrument that merely restated its own income component would be of no interest. Three logistic models of financial inclusion were estimated, containing income alone, the ladder alone, and both together, compared by likelihood ratio tests in both directions, with the area under the receiver operating characteristic curve and the Akaike information criterion reported. The comparison was repeated on three further outcomes that were not recruitment markers. Robustness was checked by omitting each component in turn and by re-specifying the regularity ordering.

Ethical considerations

The wider study received approval from the President's Office, Regional Administration and Local Government of Tanzania, reference number JC.1 561273101 1218. Participation was voluntary and informed, all 290 respondents gave recorded consent, and for those under eighteen assent was combined with guardian consent.

Results

The distribution of engagement and what the conventional measures conceal

The classification places 35.2 per cent of respondents outside economic activity, 16.2 per cent in work yielding no income, 18.6 per cent in precarious paid work, 22.8 per cent in vulnerable engagement and 7.2 per cent in stable engagement, so fewer than one young person in thirteen holds a position that could be described as stable. Table 2 sets the distribution against the two conventional classifications on the same respondents.

Table 2: Distribution of the ladder and correspondence with the two conventional measures (N = 290)

Band	n	%	95% CI	Counted employed by the binary	Counted outside NEET	% of those counted employed
0 Disengaged	102	35.2	29.9 to 40.8	No	17 of 102	n/a
1 Unremunerated	47	16.2	12.4 to 20.9	Yes, all 47	Yes, all 47	25.0
2 Precarious	54	18.6	14.6 to 23.5	Yes, all 54	Yes, all 54	28.7
3 Vulnerable	66	22.8	18.3 to 27.9	Yes, all 66	Yes, all 66	35.1
4 Stable	21	7.2	4.8 to 10.8	Yes, all 21	Yes, all 21	11.2
All bands	290	100.0		188 (64.8%)	205 (70.7%)	100.0

Source: Field data.



Note. Intervals are Wilson score intervals. The seventeen band 0 respondents counted outside the NEET category are in education or training but not working. The final column expresses each band as a share of the 188 the binary records as employed.

One quarter of the young people the binary records as employed report no income whatsoever, a further 28.7 per cent earn irregularly with no security of arrangement, and only 11.2 per cent are stably engaged. The positive category of the binary is composed overwhelmingly of positions it cannot distinguish from stable work. Treating the two lowest bands as the comparable exclusion category, agreement with the binary reaches a kappa of 0.678 (0.594 to 0.763) and with the NEET measure 0.564 (0.469 to 0.658), both conventionally read as moderate to substantial (McHugh, 2012). The unremunerated band is the clearest case of what a graduated measure recovers. These 47 young people work and earn nothing. To the binary they are employed, to the NEET measure they are not disengaged, and on their own reports they have no income at all.

Reliability and internal consistency

Cronbach's alpha across the four components is 0.807, and the qualification it requires is more informative than the figure. The components correlate positively but at markedly different strengths, from 0.33 between activity and security to 0.94 between income and regularity. The source of the last is structural, since regularity is recorded as absent whenever income is absent, so the two items are nested by the skip pattern and alpha rises mechanically with that redundancy. Removing security raises alpha to 0.838, whereas removing income lowers it to 0.673. A composite whose reliability improves when a component is dropped is not thereby improved as a measure, because the dropped component carries information the remainder does not. Security contributes least to internal consistency and most to the distinction between bands 2 and 3, which is precisely the discrimination the instrument exists to make.

Convergent validity

If the ladder tracks a real gradient of economic capability, position upon it should align with independent indicators of that capability. Eight were tested, none of which enters the construction, and six rise across the bands in the predicted direction and remain significant after Holm adjustment (Table 3, Panel A). Access to any formal financial service rises from 11.8 per cent among the disengaged to 47.6 per cent among the stably engaged and shows the strongest gradient. Savings group membership, bank account holding, loan receipt, smartphone ownership and programme support follow, the last four carrying adjusted probabilities between .019 and .044.

Two indicators did not validate. Affordability of mobile data returned a correlation of 0.044 and digital income generation 0.058, neither approaching significance. The second failure deserves explicit report because digital participation is an intuitively appealing validator, yet only 27 respondents earn digitally at all and they are distributed across the bands without order. An instrument should be judged upon validators chosen in advance and not upon those that happen to cooperate.

Discriminant validity against income

Because income enters the construction, the obvious objection is that the ladder simply restates it. The correlation is high, at 0.864, and any honest account must begin there. High correlation is not identity, since respondents in the same income band appear in three different ladder positions according to whether their income is regular and whether their arrangement offers security.

Three logistic models predicting access to any formal financial service settle whether the ladder carries information income does not. Adding the ladder to a model containing income improves fit substantially, with a likelihood ratio chi square of 13.01 on one degree of freedom, a probability below .001, and an adjusted odds ratio of 1.79 per band (1.30 to 2.47), whereas adding income to a model containing the ladder does not, with a chi square of 0.40 and a probability of .53. The Akaike



information criterion is lowest for the ladder alone, at 311.0 against 323.6 and 312.6, and the area under the curve rises from 0.644 to 0.684 and 0.690. With 75 events and two predictors the analysis carries 37.5 events per variable.

Whether that advantage is general or specific requires testing on outcomes that were not recruitment markers, and it proves specific (Table 3, Panel B). On formal financial inclusion the ladder adds to income and income adds nothing to the ladder; on smartphone ownership the relationship reverses; on the remaining two neither predictor adds significantly to the other. Section 5.3 argues that this is what the construct predicts.

Table 3: Validity of the ladder against independent indicators and against income (N = 290)

Panel A. Convergent validity across the five bands (percentage reporting the indicator)								
Indicator	Band 0	Band 1	Band 2	Band 3	Band 4	ρ	95% CI	Holm p
Any formal financial service	11.8	21.3	29.6	40.9	47.6	0.290	0.18 to 0.39	< .001
Savings group membership	4.9	8.5	13.0	10.6	42.9	0.206	0.09 to 0.31	.002
Bank account	0.0	0.0	0.0	3.0	9.5	0.165	0.05 to 0.27	.019
Loan received	1.0	0.0	1.9	6.1	9.5	0.148	0.03 to 0.26	.044
Smartphone ownership	46.1	40.4	50.0	53.0	85.7	0.141	0.03 to 0.25	.044
Any programme support	6.9	4.3	9.3	16.7	19.0	0.142	0.03 to 0.25	.044
Mobile data affordable	10.8	6.4	14.8	6.1	28.6	0.044	-0.07 to 0.16	.554
Digital income generation	8.8	6.4	7.4	10.6	19.0	0.058	-0.06 to 0.17	.554
Panel B. Discriminant validity against income across four outcomes								
Outcome	Events	Ladder added to income, χ^2 (p)	Income added to ladder, χ^2 (p)	Adjusted OR per band	95% CI			
Any formal financial service	75	13.01 (< .001)	0.40 (.53)	1.79	1.30 to 2.47			
Smartphone ownership	146	1.20 (.27)	10.38 (.001)	0.85	0.63 to 1.14			
Savings group membership	32	1.55 (.21)	2.90 (.09)	1.31	0.86 to 1.99			
Any programme support	29	0.34 (.56)	1.90 (.17)	1.14	0.74 to 1.77			

Source: Field data.

Note. Panel A gives the percentage of each band reporting the indicator, Spearman's rho with Fisher z intervals, and probabilities from a linear by linear trend test adjusted by the Holm procedure across the eight indicators. Panel B reports likelihood ratio tests on one degree of freedom from nested logistic models, with the adjusted odds ratio for the ladder in the model containing both predictors.

Robustness

Omitting each component in turn produces scores correlating with the full specification at 0.951 or above, so no single component drives the ordering. Re-specifying regularity so that seasonal income counts as equivalent to irregular reclassifies 48 respondents, or 16.6 per cent, and yields a ladder correlating with the main specification at 0.973.

Distribution across subgroups

Position on the ladder rises with age ($\rho = 0.316$, $p < .001$). Among those aged 15 to 17, 46.7 per cent are disengaged against 29.8 per cent of those aged 18 to 24, and stable engagement rises from 1.1 to 10.1 per cent. There is no gradient by gender ($\rho = -0.049$, $p = .40$) and no association with



municipality, $\chi^2(12) = 12.33$, $p = .42$, which suggests the ladder captures individual economic position and not local infrastructure.

Discussion

What a graduated measure changes

Both conventional measures misclassify a large share of young people as economically included when their engagement yields neither income nor security, since the binary places 47 who earn nothing in the same category as those holding formal contracts and the NEET measure does likewise for 64. A graduated measure separates them, and the separation is not cosmetic, since the bands track financial inclusion, savings, asset ownership and programme reach in the predicted order.

Comparison with other studies

The findings can be set against three bodies of evidence, which establishes that the pattern is not a local artefact. On scale, the distribution places 70.0 per cent of the sample in the three lowest bands, against continental estimates of around nine in ten employed young Africans in informal work and a national figure of 94.6 per cent (World Data Lab et al., 2026; National Bureau of Statistics and Office of the Chief Government Statistician, 2025).

The second comparison concerns the unremunerated band and is the more instructive. That 25.0 per cent of those counted as employed report no income invites the objection that statistical practice already has a category for such people. It does. The international standards on status in employment distinguish contributing family workers as a separate category (International Labour Organisation, 2013), and the modelled estimate for Tanzania places them at 28.9 per cent of total employment in 2024 (World Bank, 2025b), close to the 25.0 per cent recorded here, which corroborates the magnitude from an independent source. The two measures nevertheless identify the group on different criteria, since the status category classifies by relationship to the enterprise regardless of whether earnings result, whereas the ladder classifies by whether income is received. More consequentially, the status classification is reported as a national aggregate and does not enter either the headline binary or the NEET indicator, which are the measures against which programmes are targeted. The category exists in the statistical apparatus and is absent from the operational one.

Third, the job quality work across forty developing countries found sub-Saharan Africa lowest on a four dimensional index (Hovhannisyan et al., 2022), and its stability and conditions dimensions correspond closely to the regularity and security components used here. The convergence matters because the two instruments were built independently and nevertheless identify the same attributes.

Why the ladder adds where it does, and not elsewhere

The asymmetry in Table 3 is interpretable, and interpreting it clarifies what the instrument measures. Account ownership has risen worldwide to 79 per cent of adults (World Bank, 2025c), yet access remains most uneven among workers whose earnings are irregular, and the reason lies in how access is obtained. Access to a formal financial service is not bought. It is granted, and granted by a provider who screens the applicant. What providers screen for is the predictability and verifiability of a cash flow and not its size, since a bank assessing an account application, a microfinance institution assessing a loan, and a mobile money platform assembling a credit score all require evidence that money will continue to arrive and that the applicant occupies a continuing arrangement. Those are the attributes the regularity and security components record and income level does not, so a young person earning a large sum irregularly presents worse to a screening institution than one earning modestly but predictably.



Smartphone ownership behaves in the opposite way for the same reason. A handset is purchased outright, so ownership turns on whether a sufficient sum was ever accumulated, which is a question about income volume and not its timing, and the reversal there is the confirming counter-case and not a contradiction. Read together, the four outcomes support a more precise claim than the one the instrument was first credited with. The ladder is not a better predictor of everything than income, but a measure of engagement quality, and it outperforms income where the outcome is gated by engagement quality.

The unremunerated band

The band of young people who work without earning is invisible to both conventional measures and, at 16.2 per cent of the sample, exceeds the stably engaged band by a factor of more than two. Its members are not idle, so interventions premised upon activation misread them, and they are equally not earning, so interventions premised upon upgrading an existing income stream misread them just as badly. The group disappears entirely under conventional classification as it is operationally applied.

Implications for policy design

A programme working from the binary sees 102 excluded young people and 188 included ones, and the standard response is a uniform offer, most often start-up capital. A programme working from the ladder sees five groups whose binding constraints differ, so the uniform capital injection is the wrong default. The disengaged require re-engagement first, so the appropriate provision is placement, apprenticeship or training. The unremunerated need their activity to begin yielding, which is a question of market access, pricing and inputs, and a capital grant to a young person whose enterprise has no buyers converts a labour problem into a debt problem. The precarious need regularity, which points toward aggregation into groups and contracted supply, and the vulnerably engaged need whichever of regularity or security they lack, which is where formalisation support belongs. Only the stably engaged are positioned to use capital as capital injection schemes assume, and they are 7.2 per cent of this sample.

A second implication concerns regulatory protection. Bands 1 to 3 account for 57.6 per cent of the sample, and the relevant instruments include minimum standards for apprenticeship, enforcement against unpaid labour in family enterprises, and extension of social protection to own account workers, none of which is reached by a targeting system that classifies the same young people as employed.

Implications for measurement practice

Two points follow beyond this instrument. A measure that cannot be rebuilt from its published description is no contribution to a measurement literature. And demonstrating that a composite correlates with outcomes is not sufficient when it must also be shown to add something to its most powerful single component, so a discriminant claim established on one outcome should be tested on others before it is generalised.

Limitations

The sample is purposive and targets marginalised youth in one city, so the distribution across bands is a property of this sample and not an estimate for any wider population, and the exclusion of Kigamboni narrows that reach further.

One limitation bears directly upon the financial inclusion analysis. Absence of a formal financial account was one of the three markers used at recruitment, and formal financial inclusion is also the outcome on which the discriminant test was conducted, so the analysis selects partly on its own outcome. Three considerations bound the damage. The markers were applied together as a profile and not as an absolute exclusion rule, and 75 respondents, or 25.9 per cent, do report access, so the outcome was not eliminated. Restriction of range attenuates observed associations instead



of inflating them, so the reported association is if anything conservative. And the comparison is between two predictors on the same restricted outcome, so restriction bears upon both equally. Replication on a sample not selected on financial access is required before absolute magnitudes are relied upon.

The four components derive from single self-reported survey items, and income in particular is reported with error in informal settings. Two are nested by the skip pattern, which limits what evidence on internal consistency can establish. The design is cross-sectional, so the ladder records no trajectory. The band boundaries embody judgements, most consequentially the ordering of seasonal above irregular income, which is tested in Section 4.5 and survives. Finally, the stable band contains 21 respondents, so comparisons involving it are imprecise.

Conclusion

Youth economic exclusion in African cities is not well described by asking whether young people work, since the great majority do. This article asked whether the quality of that work can be classified with the survey items ordinarily available, and whether such a classification would tell a policy audience anything the existing measures do not. On the first question the answer is affirmative and specific. Four ordinary items, combined sequentially and not merely counted, resolve a population into five interpretable positions, and the classification reproduces exactly from its published rules and orders six of eight independent indicators in the predicted direction after correction for multiple testing.

On the second the answer is more interesting, because the ladder is not a better measure than income in general. An instrument that outperformed income everywhere would be grounds for suspicion that it had simply repackaged income; one that outperforms income precisely where the construct predicts it should and yields to income precisely where the construct predicts it should has a stronger claim to be measuring what it says it measures. Where young people can work, be counted as employed, receive no income at all and remain invisible to both of the measures against which programmes are targeted, the deficiency is not one of data quality but of the categories themselves.

Programmes should therefore classify participants by band at intake and match provision to band, and national reporting should publish a graduated distribution of engagement quality alongside the headline employment rate, so that the working but insecure appear in the statistics against which budgets are set. For research the priority is application to a probability sample not selected on financial access, and thereafter to panel data, whose value is not simply to observe movement between bands but to distinguish the forms it takes, since churn, seasonal volatility and genuine mobility would all appear as band changes while requiring different policy responses.

Declarations

Funding. The data were generated through a labour market assessment commissioned from the author and conducted in Dar es Salaam between April and June 2026. The commissioning organisation granted written permission to publish these analyses, requested that it not be identified, and had no role in the analysis or the decision to submit.

Ethics approval and consent. Approval was granted by the President's Office, Regional Administration and Local Government of Tanzania, reference number JC.1 561273101 1218. Participation was voluntary and informed, and guardian consent was obtained for respondents under eighteen.

Data availability. The dataset is not publicly available because it contains information on minors collected under confidentiality undertakings. The classification code and aggregate tables sufficient to reproduce every result are available on request.



Declaration of generative artificial intelligence. During preparation the author used a generative artificial intelligence assistant for language editing and formatting, reviewed and edited the content, and takes full responsibility for the publication.

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