Fostering Youth Employment in Africa

A Review of Rigorous Evidence

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Outline

- About J-PAL
- J-PAL’s Youth Initiative
- Findings from the literature review
  - Employability
  - Active Labor Market Policies
- Discussion
J-PAL has a Network of 72 Affiliated Professors
5 Regional Offices, 350+ Completed and Ongoing Evaluations in 7 Thematic Areas
J-PAL’s Youth Initiative

- Initiative Concept: fund that supports coordinated research agenda on a topic where policy-relevant evidence is needed
- Begins with **review paper** to identify state of knowledge
  - Focused on micro-level interventions
  - Updated version coming soon on J-PAL website
- Researchers compete for funding through several rounds of request for proposal (RFP)
  - One round of RFP complete—more on this later
What do We Mean by Rigorous Evidence?

- Impact of programs is hard to assess because of **selection bias**—those in the program differ systematically from those outside it
  - More motivated people go to training → impact of training may be overestimated
  - People with worse job prospects go to training → impact may be underestimated
What do We Mean by Rigorous Evidence?

- J-PAL affiliates conduct **Randomized Evaluations**
  - If implemented correctly, simple way to solve the selection problem
  - Ensures that only systematic difference between groups is random assignment to the program
- Review also includes other research that is careful about cause and effect
- Descriptive work helps define problem, suggest solutions, interpret results
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Employability: Motivation

- Family environment, household resources play powerful roles in skill formation
- Both cognitive and non-cognitive skills are significant inputs into:
  - educational outcomes
  - wages
  - labor force attachment
  - propensity to engage in risky behavior
- Substantial gaps in children from different socioeconomic backgrounds on cognitive and non-cognitive skills
Importance of Early Investments

- **Health**
  - Mass deworming in Kenya improved adult labor market outcomes (Baird et al. 2011)
  - Iodine supplementation *in utero* increased schooling in Tanzania (Field, Robles, and Torero 2009)

- Large body of research on critical or sensitive periods
  - Mostly from outside Africa (e.g. US preschool literature)
  - But likely generalizable
Education

- **Access/Attendance**
  - Providing information on economic benefits of schooling highly cost-effective in Madagascar (Trang 2008)
  - Conditional cash transfers (CCTs) shown effective in Malawi even with small transfers (Baird, MacIntosh, and Ozler 2011)

- **Quality**
  - Many successful primary-level interventions cluster around theme of “teaching at the right level”
    - Tracking in Kenya (Duflo, Dupas, and Kremer 2011)
    - Community teacher assistants in Ghana (A. Duflo, forthcoming)
Education: Post-Primary

- Much less known at this level
  - Emerging challenge with swelling ranks of primary-educated students, shortage of qualified teachers

- Ongoing work on vocational education (Hicks et al.)
  - Out-of-school Kenyan youths randomly selected to receive voucher (US $325) for vocational training
  - Half of vouchers restricted to public training institutes, half unrestricted
  - Measuring returns to public and private training
Employability: Some Key Open Questions

- How late is too late? Are there effective interventions to develop non-cognitive skills for adolescents?
- Many questions around how to deliver quality, relevant post-primary education
  - J-PAL also starting a Post-Primary Education Initiative to address these topics
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ALMPs: Motivation

- Many governments and other institutions implementing training, job search assistance, job creation programs
- Generally discouraging picture in literature
  - Often short-term benefits dissipate over time
- But implementation often precludes precise estimation of impact
  - Severe selection problem
  - Large administrative datasets – often poor quality
Job Training Programs

- Apprenticeships are primary model in Africa
- Descriptive work (Haan and Serriere 2002) suggests some challenges
  - Incentivizing the trainers: may not want competition
  - Barriers to access for females
  - Costs often prohibitive: fees, transportation, and (often most importantly) opportunity cost of time
Job Training Programs

- Evidence from Latin America
  - Modest effect on earnings in Dominican Republic (Card et al. 2011)
  - Mix of in-class and on-the-job training in Colombia increased employment, earnings for women (Attanasio, Kugler, and Meghir 2009)

![Figure 1: Vocational training increased employment among women but not among men](image-url)
Public Works

- Evidence from Europe (Kluve 2010) and developing countries (Betcherman, Olivas, and Dar 2004) countries suggests these programs are rarely effective beyond length of employment.
- Often fail to target poorest:
  - South Africa (Adato and Haddad 2002), Kenya and Botswana (Teklu and Asefa), Liberia (Andrews et al. 2011)
- Pre-post analysis in Liberia suggests program reduced depth of poverty (Andrews et al. 2011)
Informational Interventions

- Paradox of unemployment and vacancies
  - In Egypt, 1.5m unemployed youth and 600,000 vacancies in formal sector firms
- Evidence from several African countries that youth have unrealistic expectations about job market and wages
  - South Africa (Levinsohn and Pugatch 2009), Tunisia (Stampini and Verdier-Chouchane 2011), Morocco (Boudarbat 2005)
- Little research on job search assistance
  - Evidence from France that displacement can be a problem (Crepon et al., forthcoming)
Employment in Conflict Areas

- Reintegration of ex-combatants a major challenge
- Promising results for agricultural training in Liberia (Annan and Blattman 2011)
  - After 18 months, participants 37 percent more likely to have sold crops, spent fewer hours on illegal activities
- Ongoing work
  - Cognitive-behavioral therapy, life skills training, and grants for Liberian street youth (Blattman, Jamison, Sheridan)
  - Training in business skills and group dynamics for women in Uganda (Annan et al)
ALMPs: Some Key Open Questions

- In general, we need more rigorous evidence on ALMPs, and more evidence from Africa
  - Can different interventions be usefully combined, e.g. training and job search assistance?
- Could information campaigns or counseling help reset unrealistic expectations?
- Optimal design of job training programs, such as apprenticeships
Youth Initiative Next Steps

- Projects funded in first RFP with support from Nike Foundation
  - Negotiation skills for adolescent girls in Zambia
  - National Apprenticeship Program, Ghana
  - Information and postsecondary education decisions, Peru
- Actively seeking partners for funding, research, dissemination
Thank You!

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