

The Effects of Apprenticeship Training for Vulnerable Youth in Malawi

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Background

- Over 80 percent of the workforce in SSA is engaged in self-employment.
- Low-skilled, less experienced youth have little chance of finding jobs in wage employment.
- Orphans, Vulnerable & Affected Youth (OVAY) are exposed to unemployment & transactional sex.
- In 2009, the government of Malawi decided to pilot and evaluate* the Technical and Vocational Skills Training for OVAYs (TVST-OVAY).

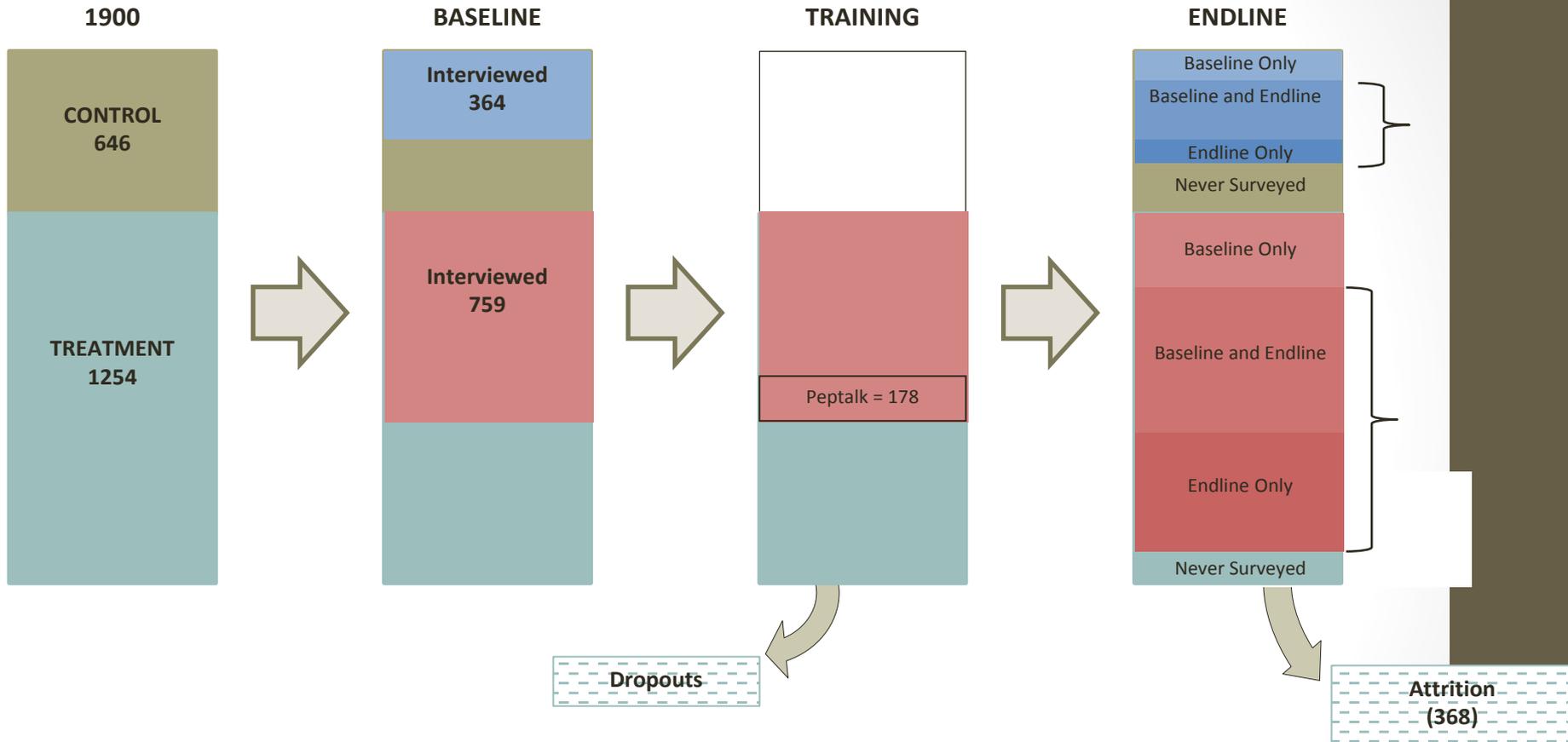
The TVST-OVAY Program

- The main objective was to transfer marketable skills to OVAYs through **vocational training** and **mentorship**. The program would also offer a **Life Skills** and a **Pep-talk** course to improve self-esteem and goal identification.
- District & Traditional Authorities identified OVAYs. TEVETA verified and selected **1,900 OVAYs**.
- TEVETA identified **Master Craftsmen (MCs)** from each district. The apprenticeship would take place in each MC's shop and a small stipend was offered to trainees.

Evaluation Design

- The IE followed an **experimental pipeline design**: two-thirds of the youth were randomly assigned to receive the training immediately (treatment), while the other third would receive the training at a later point in time (control).
- The baseline was collected in March/2010, the intervention took place in Aug/10-May/11 and the follow-up survey in June/11, just before the control started the program.

Sample



Participated in both surveys:

- 509 Treatment (191 of these dropped out)
- 235 Control

Newly added for endline:

- 181 Treatment (64 of these dropped out)
- 93 Control

Contributions to the Existing Literature

- The IE provides **experimental evidence** on labor market and broader socio-economic effects of skills training that target vulnerable youth in a poor country.
- We employ experimental methods to understand the **determinants and consequences of dropping-out, and heterogeneity across genders.**
- We introduced a confidence-building exercise (**pep-talk**) within a random subset of trainees to isolate the effects of changes in views of effort and performance and the effects of skills acquisition.

Results and Findings

Impacts on Skills and Human Capital

- Participating in training leads to large, significant increases in
 - * **self-assessed skills,**
 - * **subjective ability to calculate business profits, and**
 - * **knows how to start a business.**

- **During training,** participants lowered their monthly hours worked in **paid work and self employment by 21 (108 percent) and 49 hours (110 percent decrease) respectively.**

Impacts on Skills and Human Capital

- Participants were more likely to invest in human capital after the training.
- They increased total hours spent on skills development (through school or other job training) by **14 hours (133 percent increase)** a month after the training.
- These benefits only accrued to male participants.

Participants are using their savings and are not working more

- Despite stipend, participants ended using their personal savings, especially women (savings dropped by USD 16 from an average of USD 9).

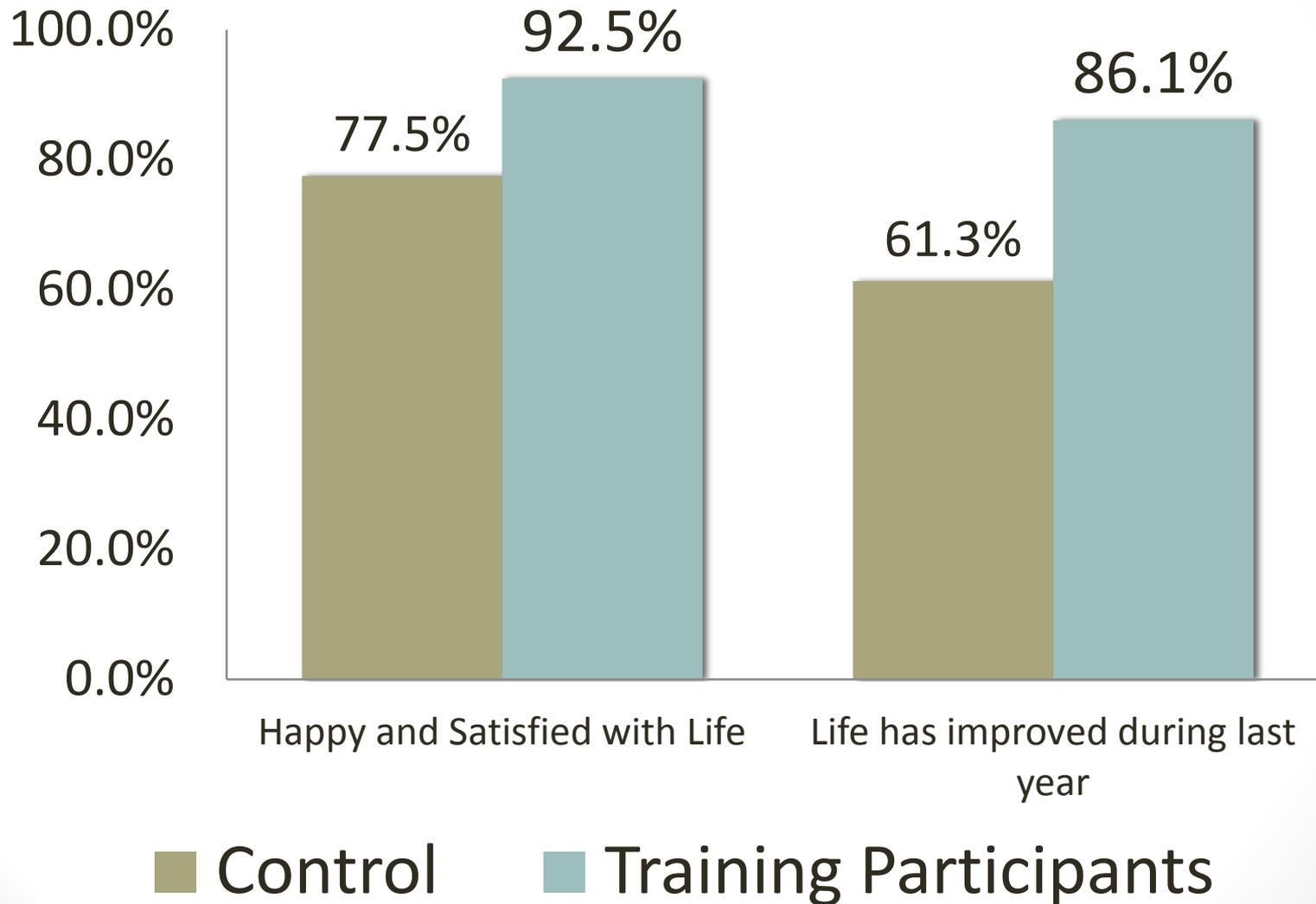
- **No significant changes in hours worked in the week prior to the follow-up survey and one month after training.**

- * Insufficient time has passed, poor program implementation, acquired skills not sufficient to start business, or individuals are investing in human capital?

Fewer start businesses and fewer migrate

- Participants were almost **8 percent points less likely (41 percent decrease) to start a business** in the last 12 months.
- The opportunity cost for migration seems to increase. Being offered training and training attendees are **6 and 12 percent points less likely to migrate.**

Training has Positive Effects on Well-being...



... Though improvements conceal (again) gender differences

- Effects on well-being only take place among male participants. Males also become more confident in their self-assessed ability to switch from agriculture to other sectors.
- However, female trainees are **13.7 percent points less to have a child in the last year** (vs 18.6 in the control group).

Determinants and Consequences of Dropping-out

- Drop-outs are not as satisfied with life and are less confident about their skills.
- Drop-outs don't appear to be positively selected and their labor outcomes are similar to those of the control group.
- Women drop-outs are more constrained in their decision-making than men.
- The training experience seems to be better for men.

The Pep-talk bolstered the effects of training

- The pep-talk increased self-reported satisfaction with life (for men).
- It was highly effective in boosting confidence entrepreneurship ability in both genders.
- It induced men to take more labor market risk in the short-run (men are likely to work after training and hence earn less).
- The pep-talk did not have additional benefits over vocational training on sexual risky behavior.

Conclusions and Recommendations

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- The training program had large positive effects on skill level, investment in human capital, and psychological well-being.
- Pep-talk like interventions designed to address issues of self-esteem of future entrepreneurs are high-impact and cost-effective tools.
- The program has limited effects on sexual risky behavior, with the exception of child-bearing for female participants.

Conclusions and Recommendations

- The program has not yielded significantly positive effects on labor market outcomes. Given that male participants were more likely to invest in human capital and work and earn less after the training, it's crucial to track these individuals longer to see if taking these risks paid off in the longer run.
- Vocational programs need to introduce and test innovative ways to make these programs work better for women.