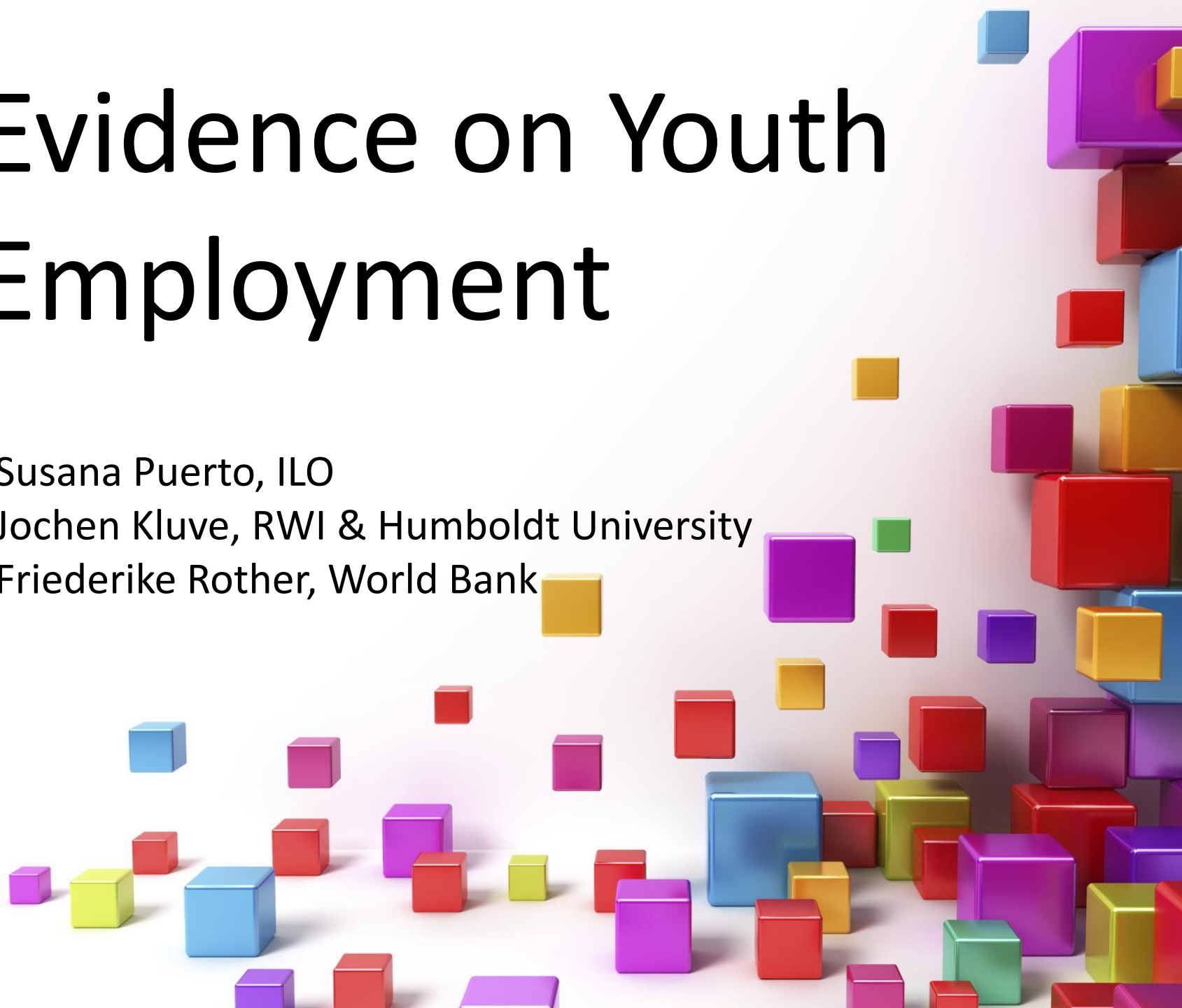


Evidence on Youth Employment

Susana Puerto, ILO

Jochen Kluge, RWI & Humboldt University

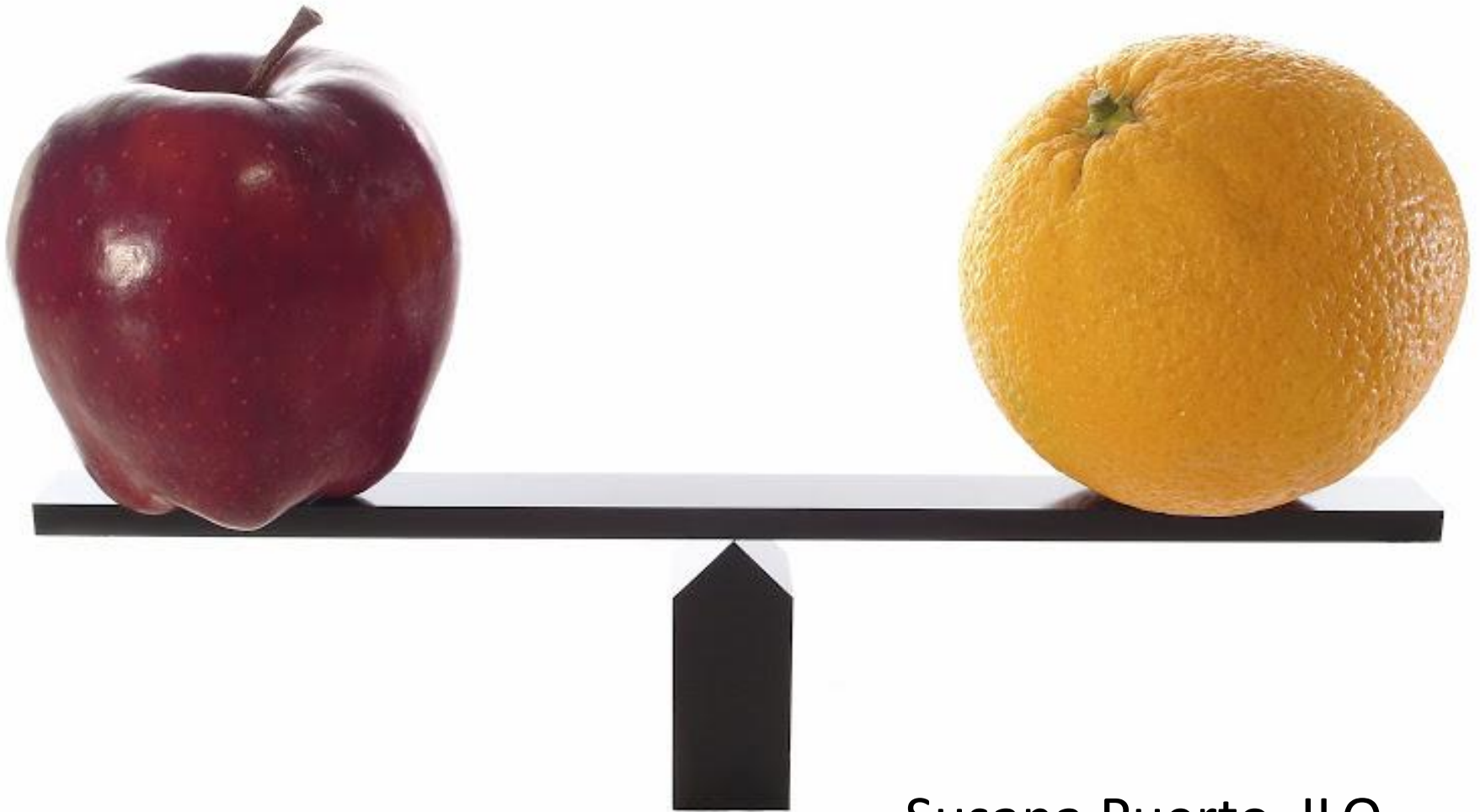
Friederike Rother, World Bank



Overview

- I. Collecting and building the evidence**
- II. What works**
- III. The Road Ahead**

I. Collecting and Building the Evidence



Susana Puerto, ILO

The Youth Employment Inventory

**YOUTH
EMPLOYMENT
INVENTORY**

[INVENTORY](#) [ANALYSIS](#) [ABOUT YEI](#) [BACKGROUND](#) [NEWS & EVENTS](#) [CONTACT](#) [FAQ](#)



Federal Ministry
for Economic Cooperation
and Development



SEARCH THE INVENTORY

BROWSE INVENTORY BY CATEGORY

BROWSE BY TYPE OF EVALUATION

BROWSE BY QUALITY OF INTERVENTION

SUBMIT A PROJECT

YOU ARE HERE: > Start

BROWSE PROJECTS BY REGION



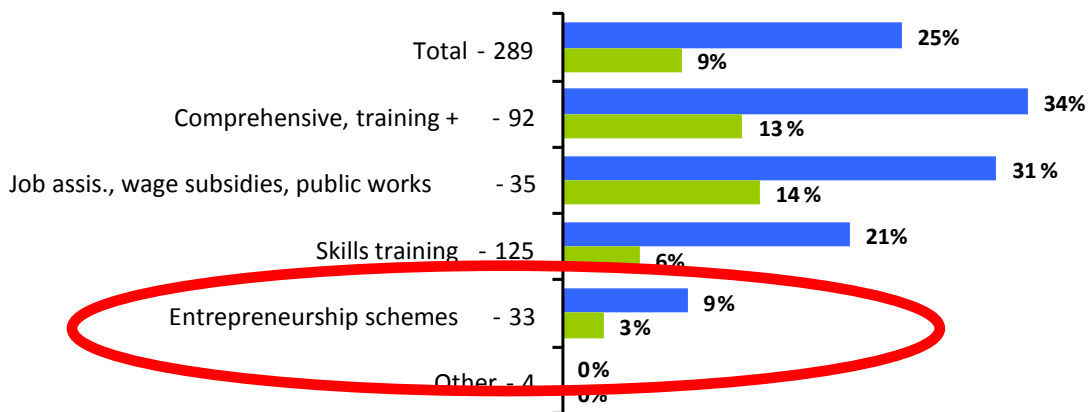
- ▶ Africa
- ▶ East Asia and Pacific
- ▶ Europe and Central Asia
- ▶ Latin America and Caribbean
- ▶ Middle East and North Africa
- ▶ OECD
- ▶ South Asia

www.youth-employment-inventory.org

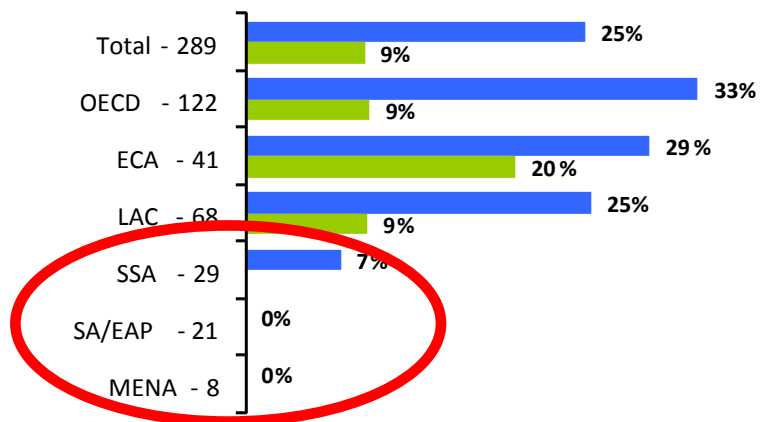
Key early findings (2007)

1. Severe knowledge gaps

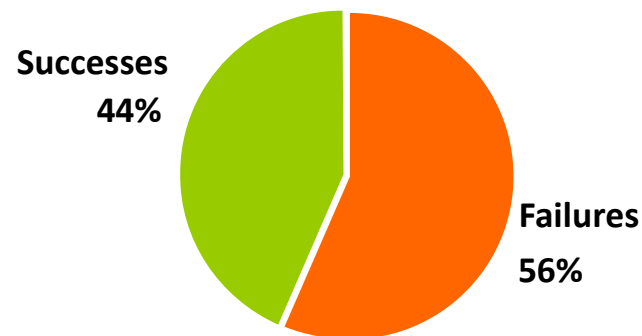
Evaluation evidence by type of intervention



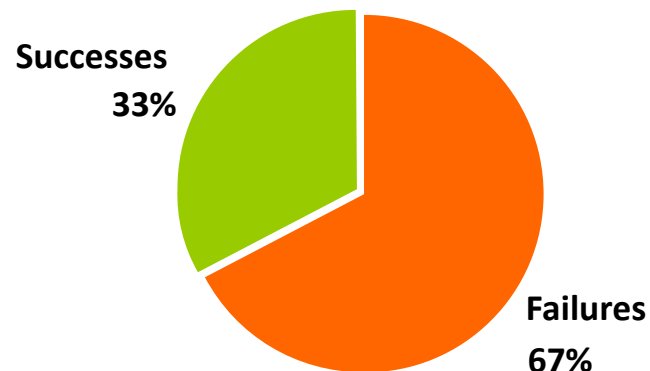
... and by region



2. Evaluation matters



Without a proper counterfactual

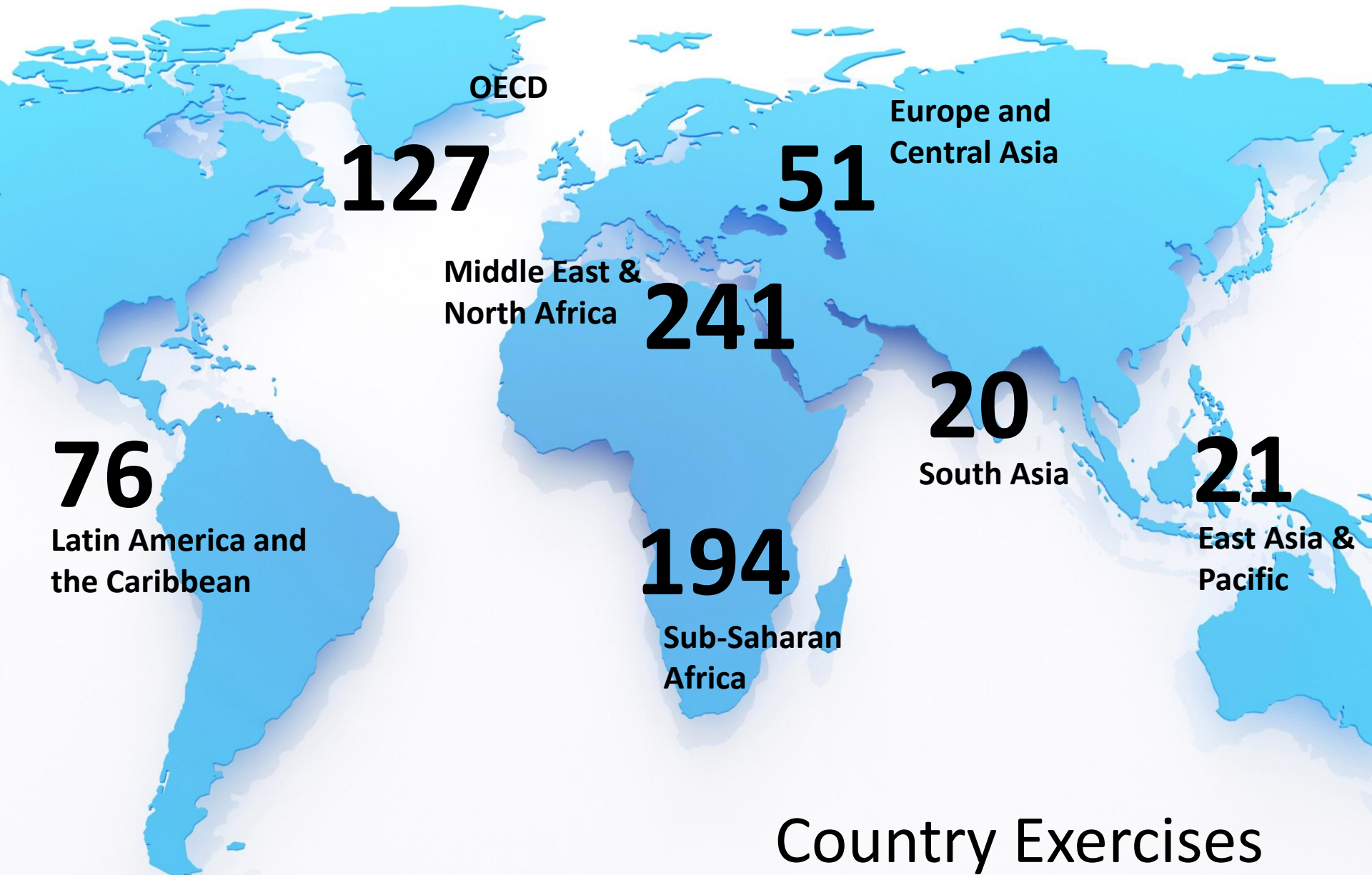


With a counterfactual

Our Premise

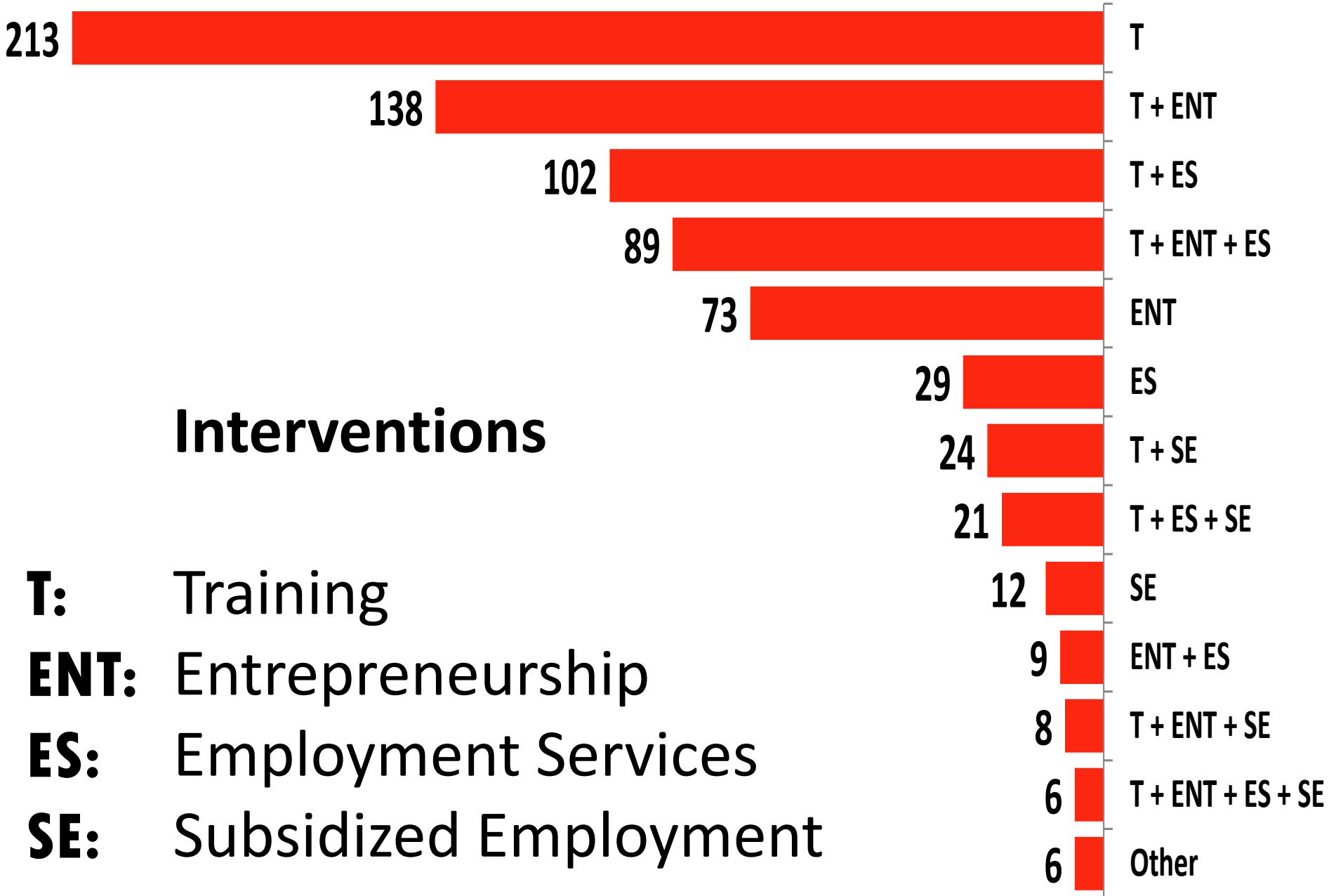
1. Update and expand the inventory
2. Capture more evaluation evidence
3. Contribute to closing the evidence gap
4. Strengthen analytical work for relevant recommendations

1. Update and expand the inventory

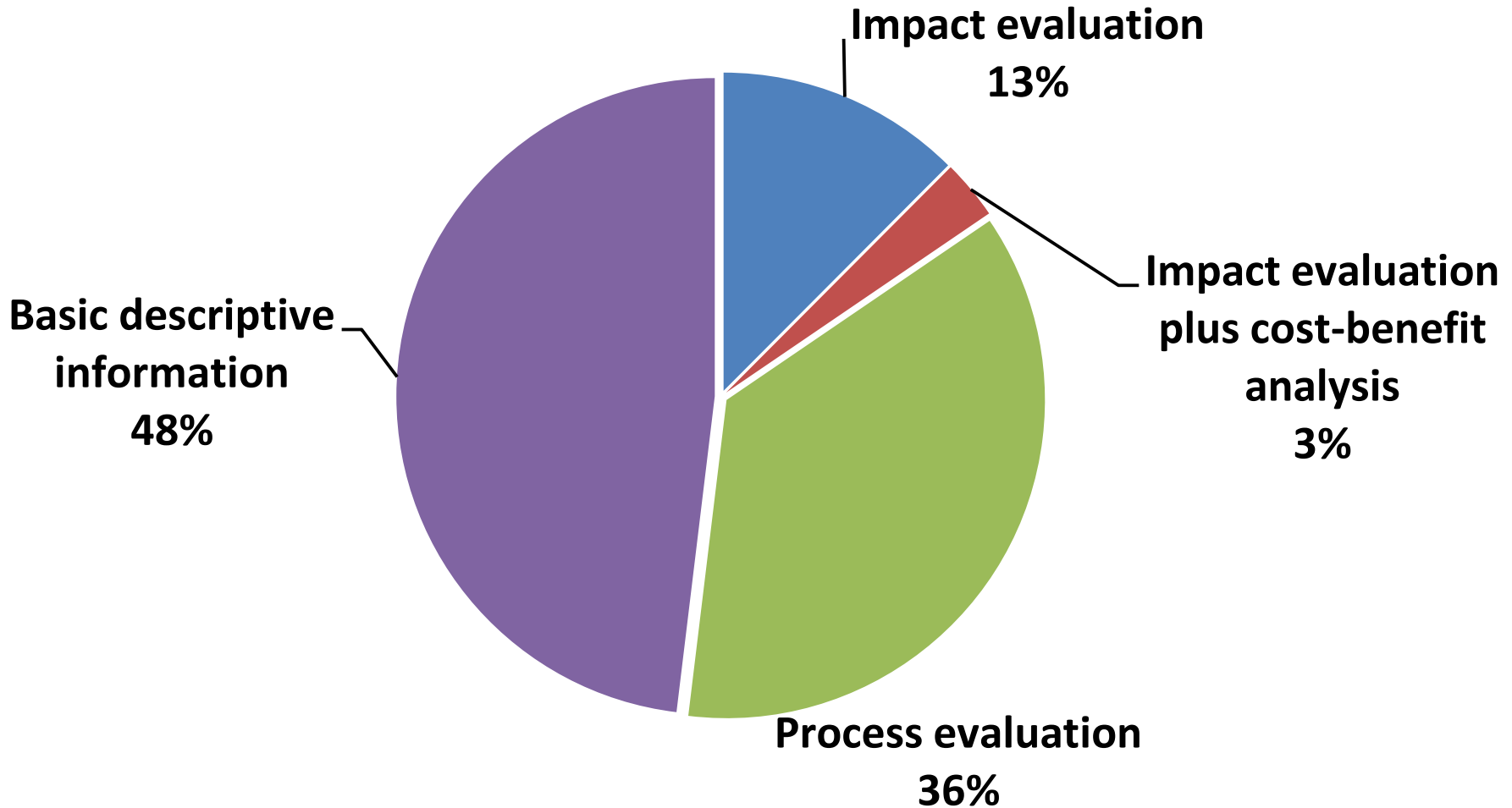


Interventions

- T:** Training
- ENT:** Entrepreneurship
- ES:** Employment Services
- SE:** Subsidized Employment



2. Capture more evaluation evidence



3. Contribute to closing the evidence gap

Egypt

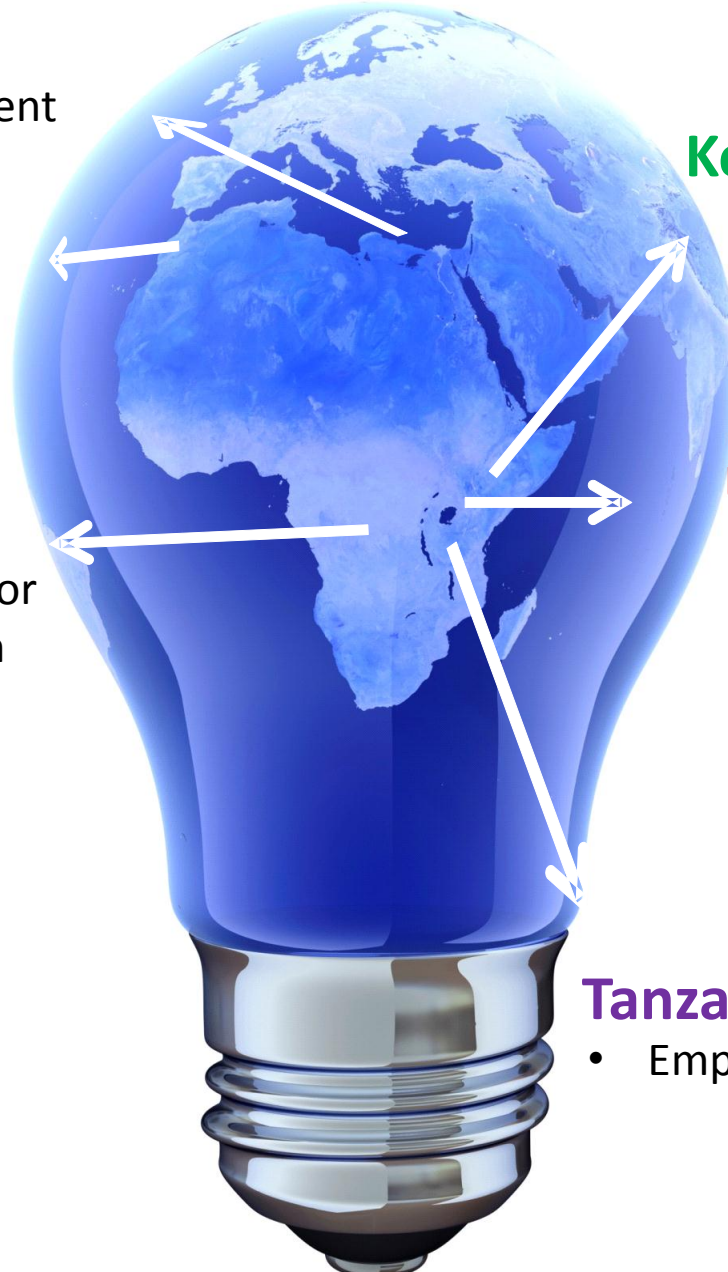
- Edutainment

Morocco

- 100 Hours for Success

Malawi

- Apprenticeship for vulnerable youth



Kenya

- Women's entrepreneurship development
- Micro franchises for young women

Uganda

- Empowering adolescent girls
- Entrepreneurship mentoring in schools
- Soft vs. Hard Skills in Entrepreneurship Training
- Stimulating Microenterprise Growth

Tanzania

- Empowering adolescent girls

4. Strengthen analytical work for relevant recommendations

Systematic Review of Youth Employment Interventions





II. What works

Jochen Kluge, RWI &
Humboldt University

Key policy questions

- What do we know about whether youth employment programs are effective?
- Short run vs. long run effects?
- Does a specific intervention work better for some groups? In some places or times?
- Implications?

Effectiveness:

Strong pattern by program type

- **Training** on average modestly effective, but: Long-run effects positive!
- **Private sector incentive programs** (wage subsidies) effective in short-run -> but: displacement?
- **Public sector direct employment** programs are rarely effective and often decrease participants' job finding chances. Limited evidence on youth.
- **Job Search Assistance** programs frequently show positive effects (Short-run); they also tend to be cost-effective

Duration:

Impacts increase with time after the program

	<u>Percent of Medium-term Estimates that are:</u>		
	Significantly Positive (1)	Insignificant (2)	Significantly Negative (3)
<hr/> <u>Short-term Impact Estimate:</u>			
a. Significantly Positive (N=30)	90.0	10.0	0.0
b. Insignificant (N=28)	28.6	71.4	0.0
c. Significantly Negative (N=36)	30.6	41.7	27.8

- Positive short-term impacts: 36% of studies (24% negative)
- Positive medium-term impacts: 51% of studies (2% negative)
- Positive long-term impacts: 57% of studies (0% negative)

Youth employment programs: Evidence from OECD

—Youth employment programs systematically less effective in OECD

Two main implications:

—Points to preventive intervention -> education policies earlier in the lifecycle

—The importance of labor market institutions: Entry barriers generated by restrictive regulations (EPL, minimum wages) hamper program effectiveness

Youth training: Evidence from LAC

Country	Impact on Employment	Impact on Earnings	Cost-Benefit Analysis
Chile Chile Joven	21% (<21 years, women)	26%	NA
Argentina Proyecto Joven	10% (women)	10% (monthly wages)	NPV>0 if 12 years of positive benefits (DR = 5%)
Peru ProJoven	6% (placement)	18% (hourly)	<ul style="list-style-type: none"> •NPV>0 if 7 years of positive benefits (DR = 5%) •IRR > 4%
Dominican Rep. Juventud y Empleo	Not significant	10%	NPV>0 if 2 years of positive benefits (DR = infl.)
Colombia Jóvenes en Acción	5% (women)	18% - 35% (men - women)	IRR = 4.5% - 13.5% (men - women)

Youth training: Evidence from LAC

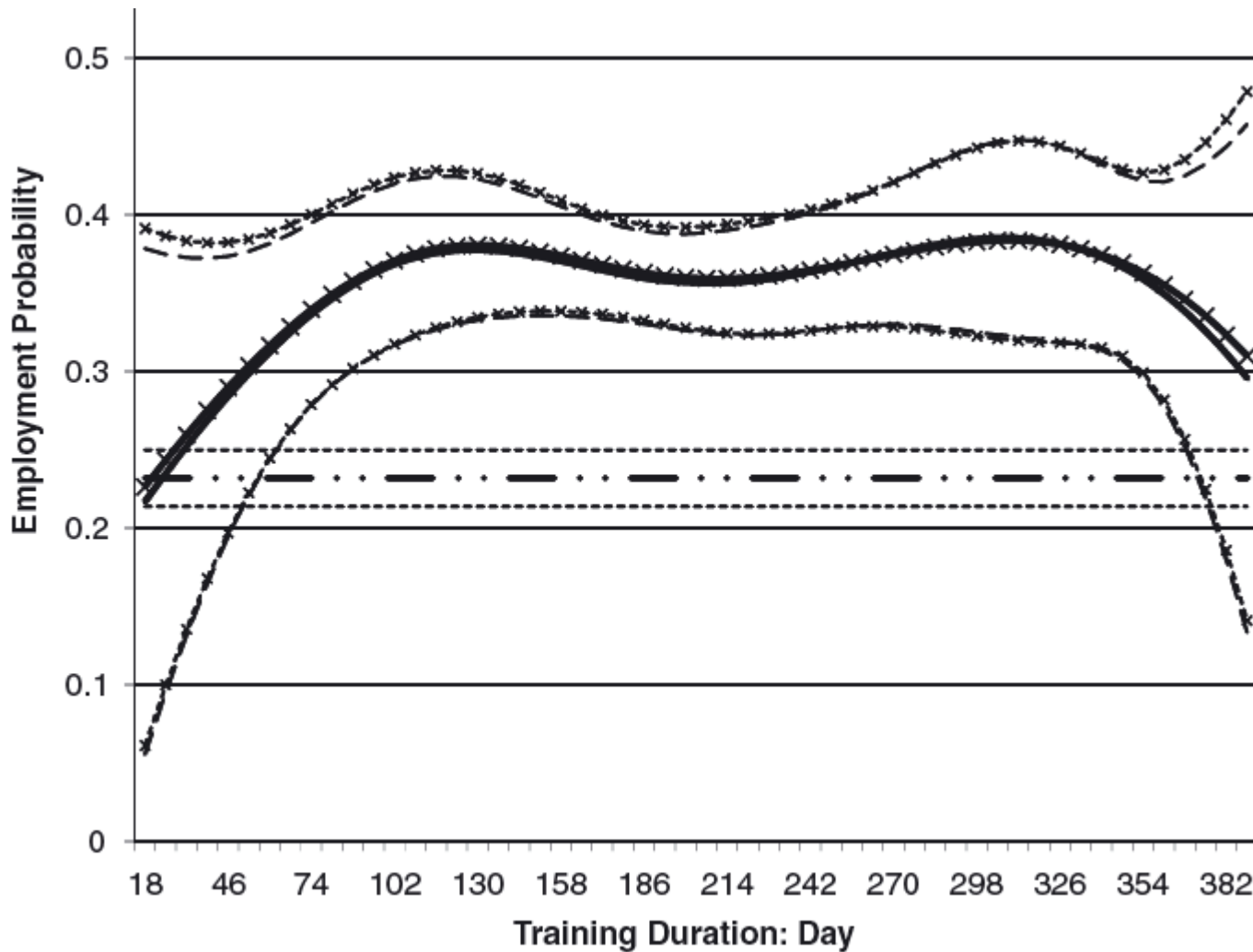
Features:

- Financing of training separated from the provision: training courses are selected through a public bidding system
- Type of training is demand driven -> connection with private sector
- The intervention follows a “multi-service” approach: classroom training + internship / work experience + job search assistance + life skills

More results

- In general: No differential effects for men and women
- Little connection of program effectiveness with the business cycle
- Comprehensive, multi-component programs work
 - Even for youths in OECD: Job Corps US, New Deal UK
- Knowledge gap: Optimal program design
 - > combination of program components?
 - > treatment duration?

Program design: Optimal length of training



Source: Kluve, Schneider, Uhendorff, Zhao (2012)

Key lessons to take into account

1. Programs should be demand-driven (“Jóvenes”). Incorporate private sector through work practice.
2. Comprehensive design comprising multiple components.
3. Labor markets need to be “youth friendly” -> restrictive institutions hamper training effectiveness.
4. The importance of human capital based interventions!
5. Expectations need to be realistic: Theory of change of the programs.
6. Systematic data collection and evaluation efforts are key to move towards evidence-based policy making.



III. The Road Ahead

Friederike Rother,
World Bank

The Systematic Review:

Our analytical work on the Inventory

Goal: to synthesize the evidence on the relative effectiveness of different labour market interventions for youth



Searching and screening process

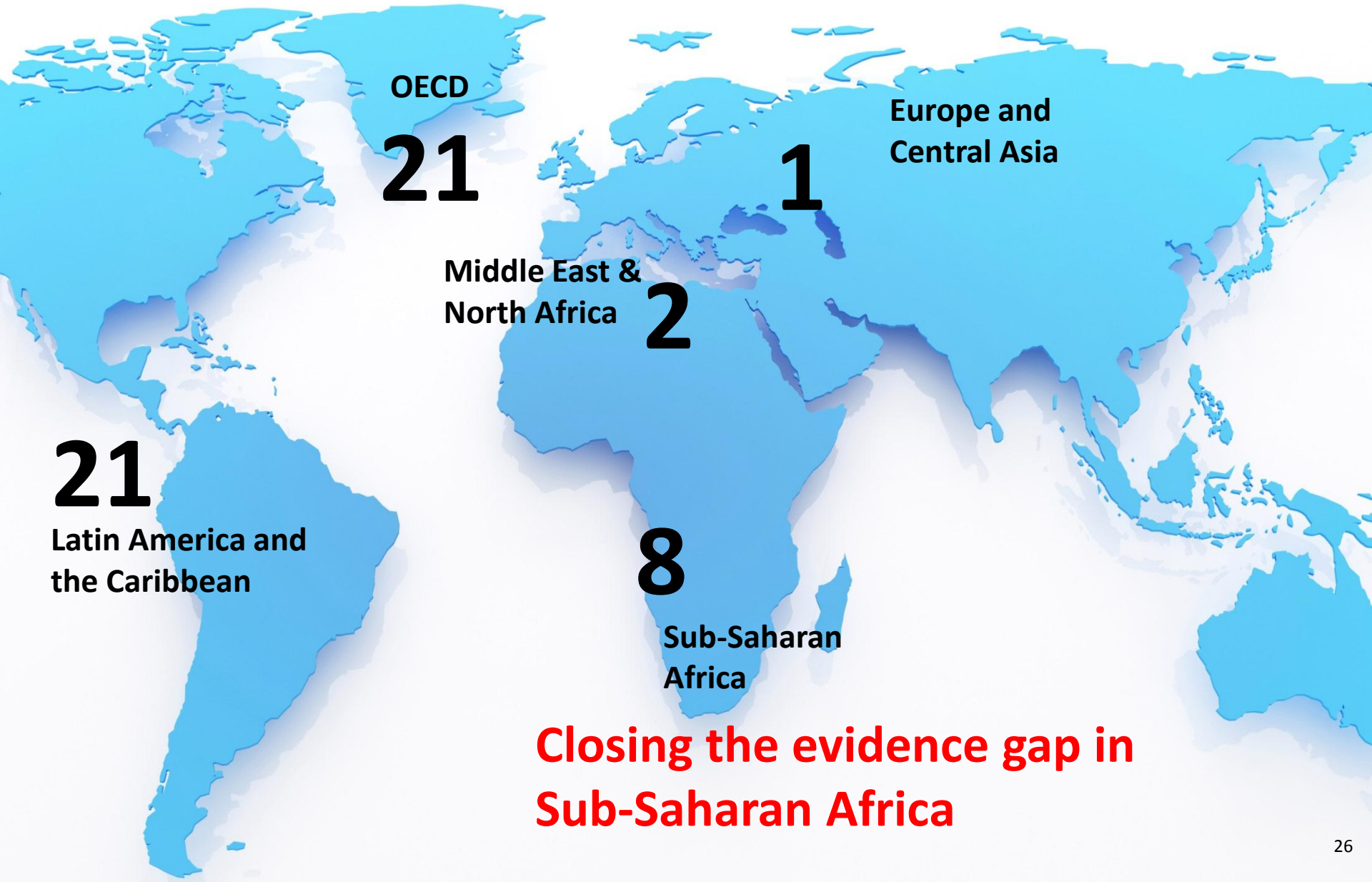
Potential studies identified through systematic search of 93 sources in EN, SP, FR, GE, PO:

- Electronic databases (e.g. EconLit)
- Relevant institutional and conference websites
- Dissertations and theses databases (e.g. Networked Digital Library of Theses and Dissertations)
- Reference lists of relevant existing reviews and meta-analyses
- Keyword search in grey literature databases

YEI

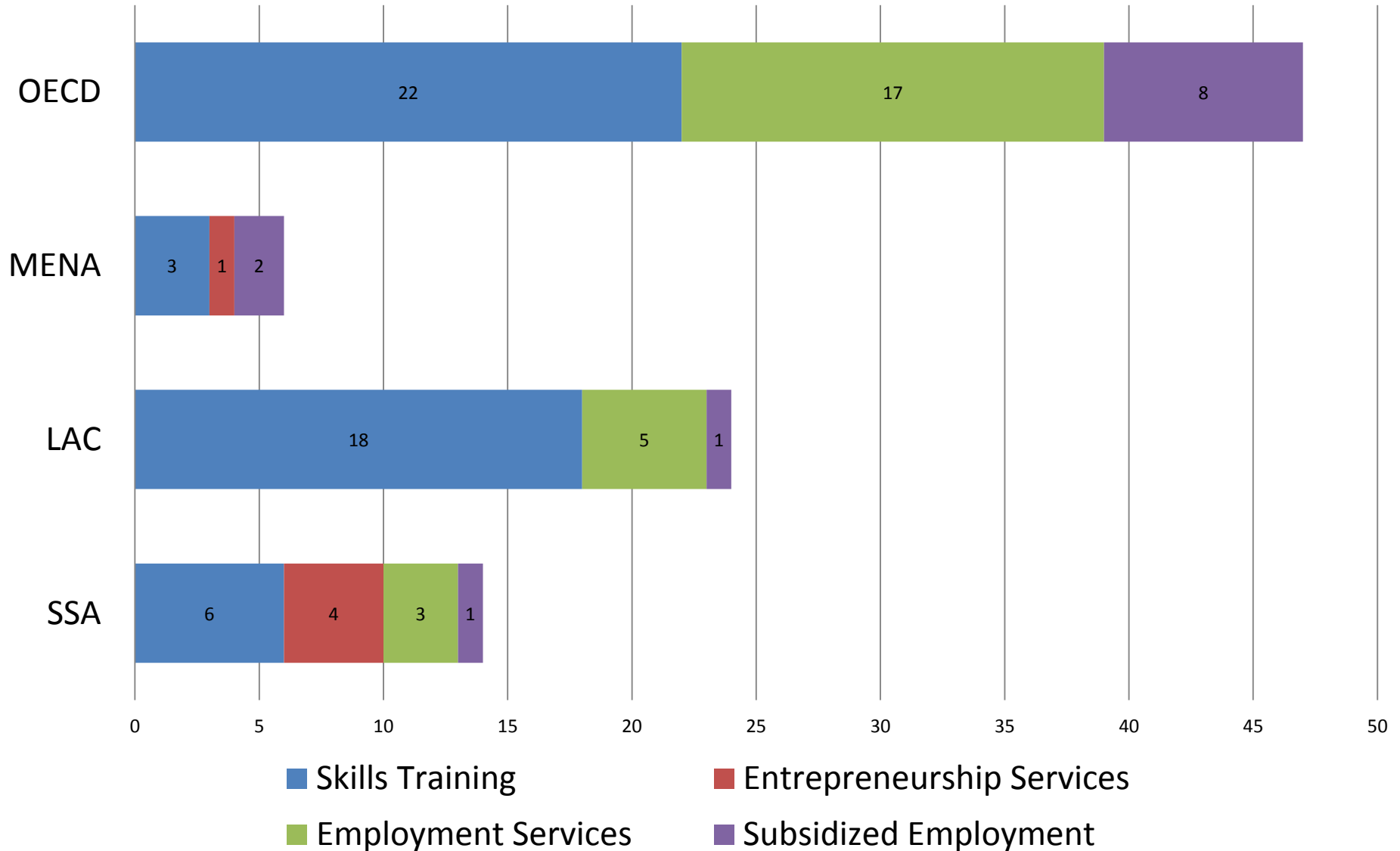


Meta-analysis



**Closing the evidence gap in
Sub-Saharan Africa**

Components of Analyzed Programs per Region



Uganda: Adolescent Girls Initiative

Timeline: 2008 to 2012



Findings

- Combination of life and vocational skills training programs are more effective among adolescent girls than single-pronged interventions.
- Health outcomes: Better knowledge of HIV and contraception, engaged less in risky behaviors - condom usage increased by 50%.
- Economic outcomes: better financial and analytical skills, and more confidence in their entrepreneurial capacity
- Likely to start running their own businesses and saving money
- Likelihood of girls being engaged in income generating activities increased by 35%, mainly driven by increased participation in self-employment.

Tunisia:

Turning theses into enterprises

Labor-market Outcomes: Self-Employment

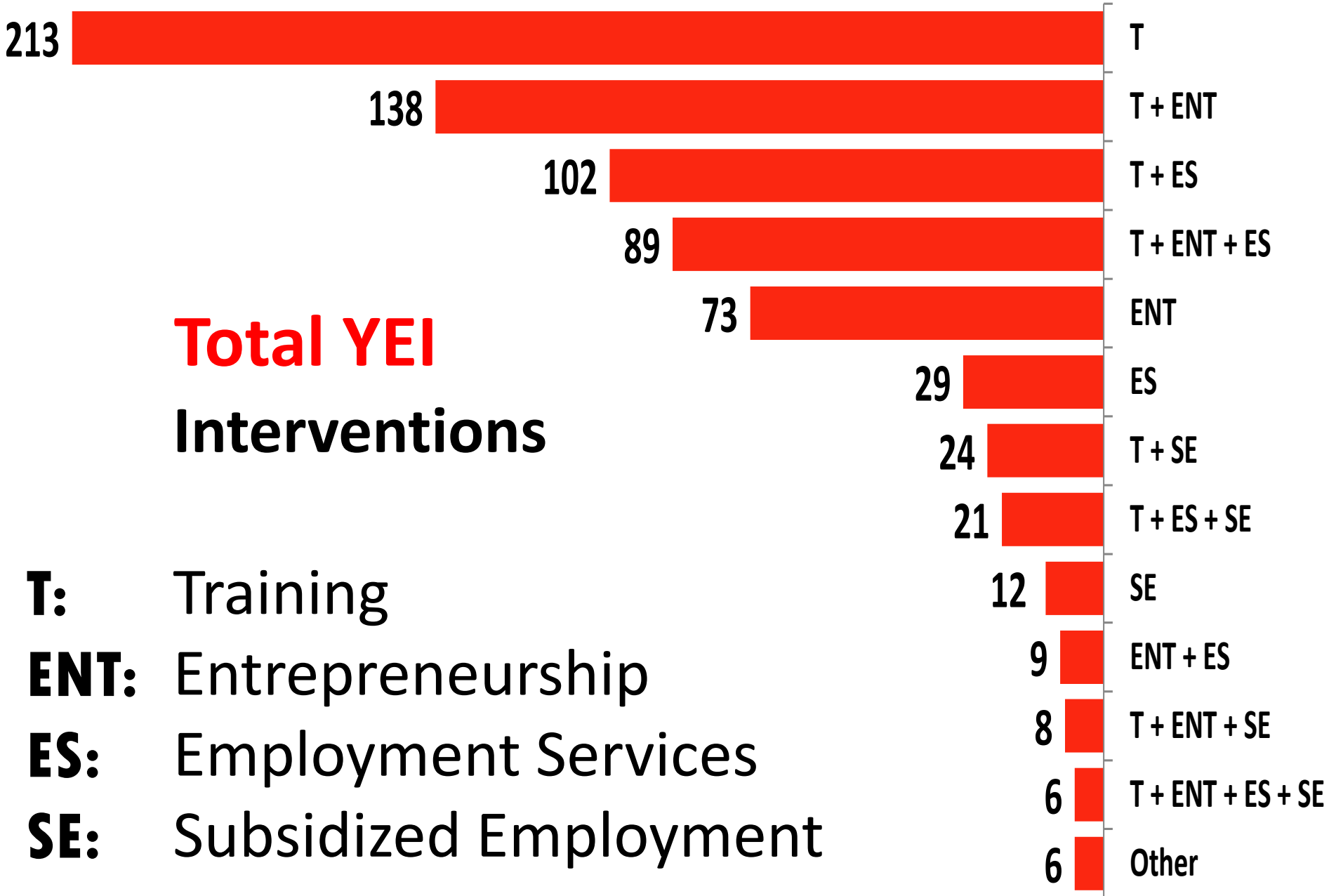
	Mean	Mean	ITT	SE	TOT	SE
	C	T				
Self-employed (last 12 months)	0.05	0.09	0.04***	0.01	0.07***	0.02
Self-employed, including seasonal (last 7 days)	0.04	0.08	0.03**	0.01	0.05**	0.02
Self-employed, excluding seasonal (last 7 days)	0.03	0.04	0.01*	0.01	0.02*	0.01
Note: n = 1580.						

- The intervention led to an increase in self-employment
- Small absolute effects
- Effect sizes ranging between 48%-81% for ITT

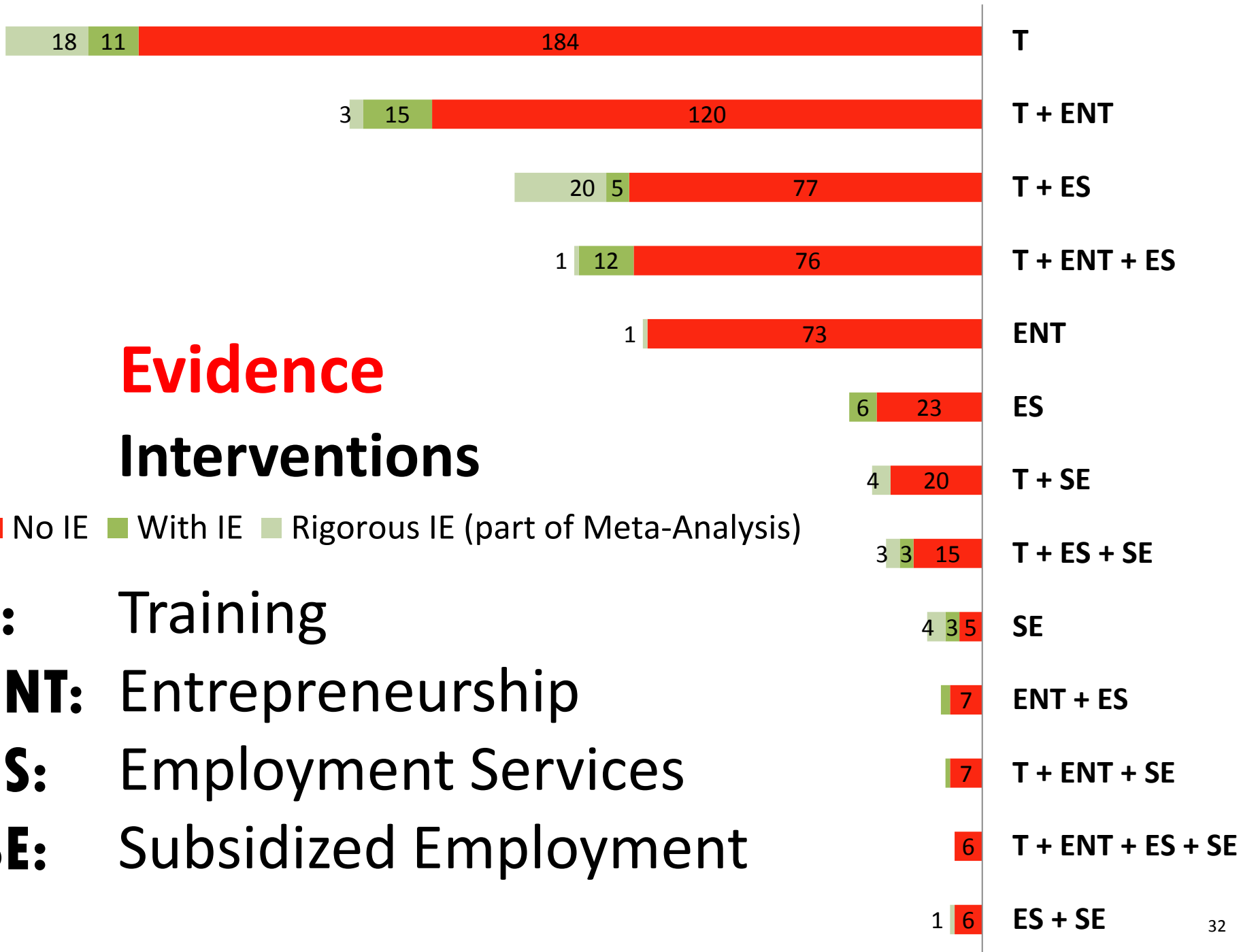
Interventions

Training	Comprises programs outside the formal education system (and therefore does not consider Technical Vocational and Education (TVE) programs) that offer skills training to young people in order to improve their employability and facilitate their transition into the labour market.
Entrepreneurship	Aims at providing entrepreneurial skills as well as physical, financial, and social capital for self-employment.
Employment services	Delivers job counseling, job search assistance, and/or mentoring which are often complemented with job placements and technical or financial assistance.
Subsidized employment	Looks mostly at wage subsidies programs or interventions aiming to reduce the labour cost for employers as well as labour intensive programs or public works which provide short term employment to youth in infrastructure or social development and community projects.

Total YEI Interventions

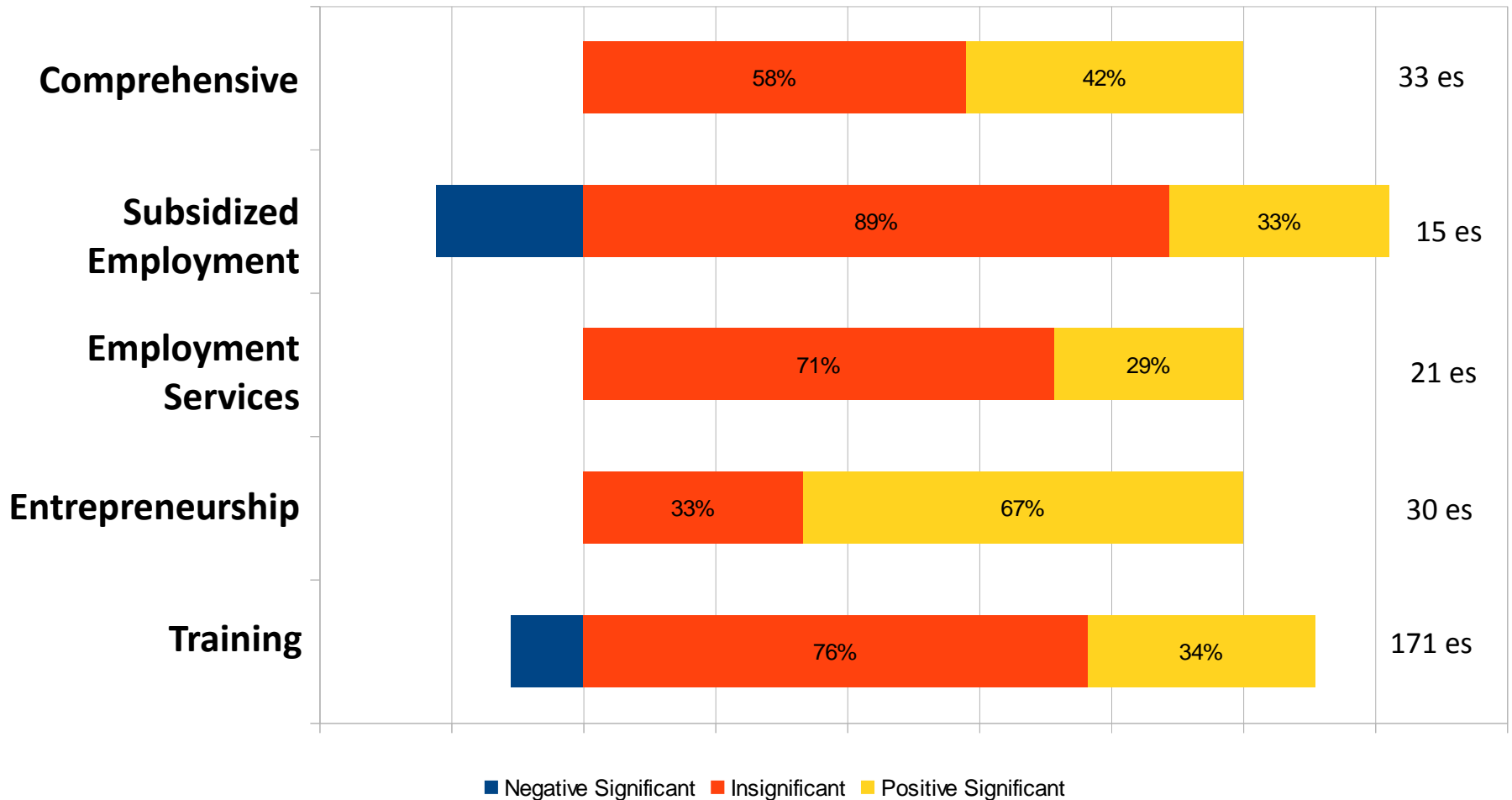


T: Training
ENT: Entrepreneurship
ES: Employment Services
SE: Subsidized Employment



Preliminary analyses

Effect Size Estimates per Intervention Type



Next Steps

- Finalize the screening and coding process
- In depth analysis of key target variables (age, gender, location, income)
- Understand program delivery (underlying theory of change):
 - E.g. Duration; Incentive provision; combination of services; who implements?;
- Dissemination on what works
 - Reports: Meta-analysis, descriptive synthesis
 - Events