



WORLD BANK GROUP
Social Protection & Labor

June 6, 2015
10th IZA/World Bank Conference
Bonn, Germany

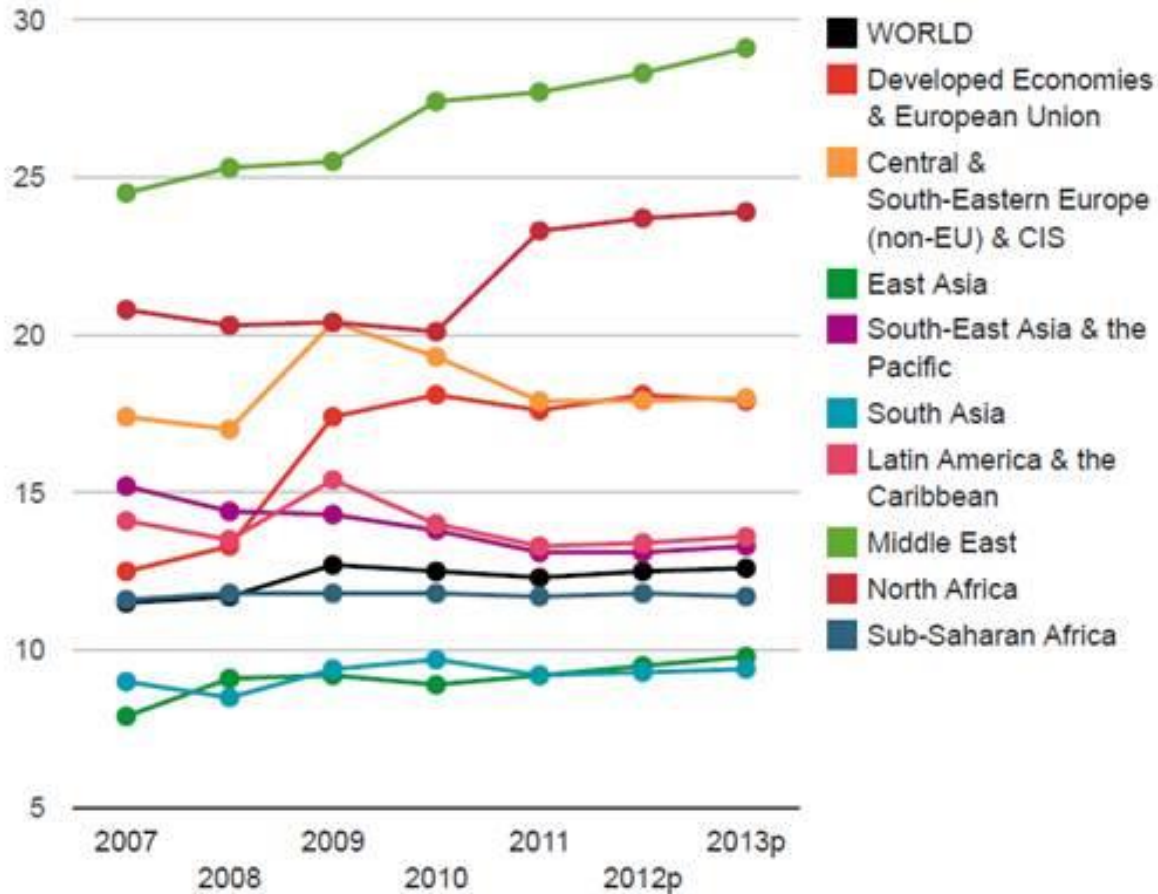
Interventions to Improve the Labor Market Outcomes of Youth

A Systematic Review of Skills Training, Entrepreneurship Promotion,
Employment Services, and Subsidized Employment Interventions

Jose Manuel Romero, World Bank

With Jochen Kluge (RWI), Susana Puerto (ILO), David Robalino (World Bank), Friederike Rother (World Bank), Jonathan Stöterau (RWI), Felix Weidenkaff (ILO), Marc Witte (University of Oxford)

Challenge of youth unemployment



Source:ILO

How do we address the challenge?

TRAINING AND SKILLS DEVELOPMENT

Lack of formal education in many countries → improve basic skills and employability

ENTREPRENEURSHIP PROMOTION

Provide entrepreneurial skills as well as physical, financial and social capital for self-employment

EMPLOYMENT SERVICES

Job-search assistance, mentoring; often complemented by job placement services

SUBSIDIZED EMPLOYMENT

Wage subsidies, public works → provide short-term employment and on-the-job experience

New evidence on what works: A systematic review

1. Scope
2. Search results
3. Methods
4. Empirical findings
5. Conclusion

Inclusion criteria, relevant data, methods

Search

- Youth (18-35)
 - Experimental or quasi-experimental methods
 - Labor Market Outcomes (Employment, Earnings, Business outcomes)
 - Over 93 sources of evaluations & literature (including 23 databases)
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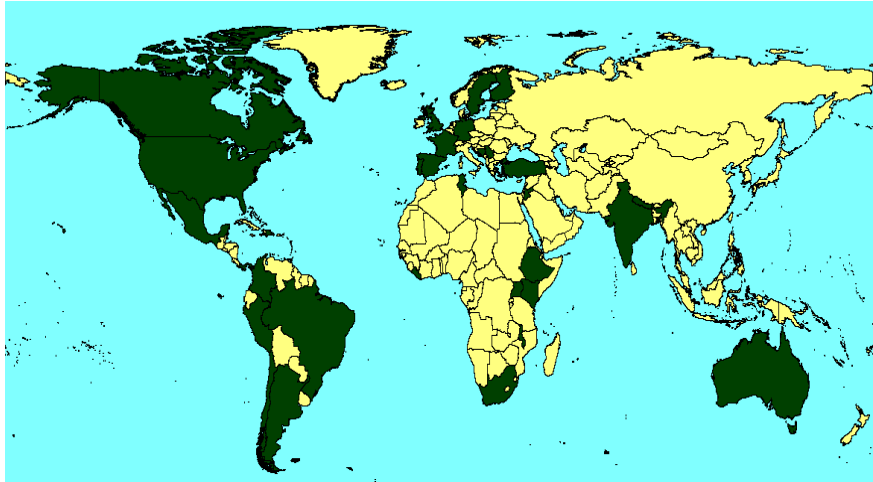
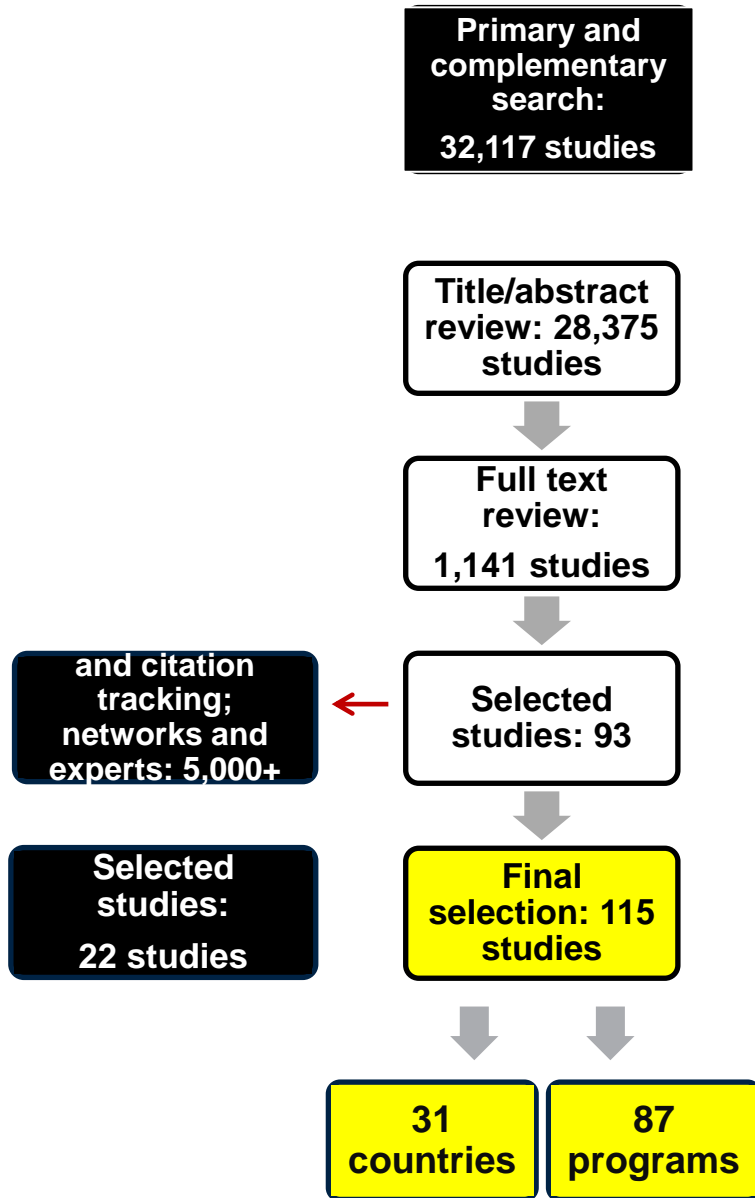
Data Extraction

- Coding manual
 - Coding tool: 181 variables (publication info, evaluation sample information, intervention & program characteristics, program targeting)
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Analysis

- Two unit-less measures: Standardized mean differences (SMD) & positive statistical significance (PSS)
 - Program & population characteristics driving results
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Search Results: Overview

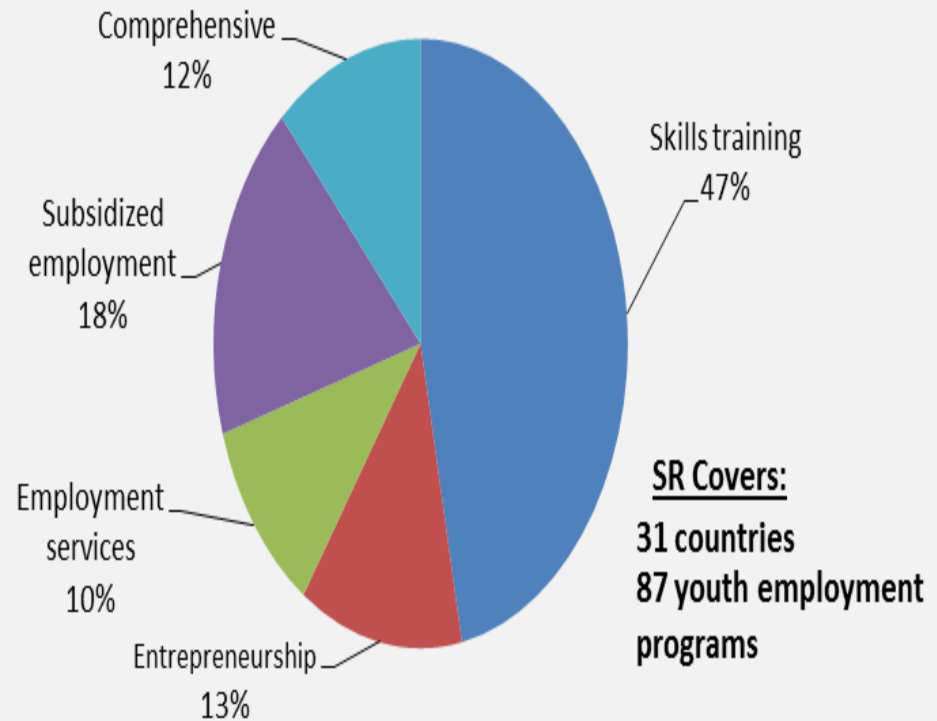


Search Results: Types of programs

Number of interventions by main category			
	Middle & Lower income	High income	Total
Skills training	22	22	44
Entrepreneurship	10	2	12
Employment services	3	7	10
Subsidized employment	3	14	17
Comprehensive	3	8	11

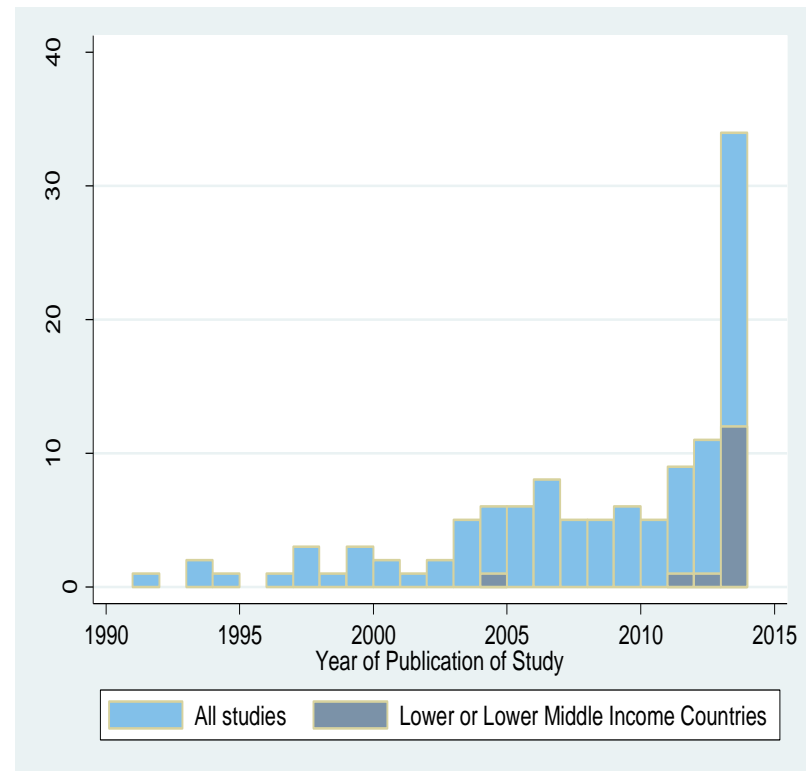
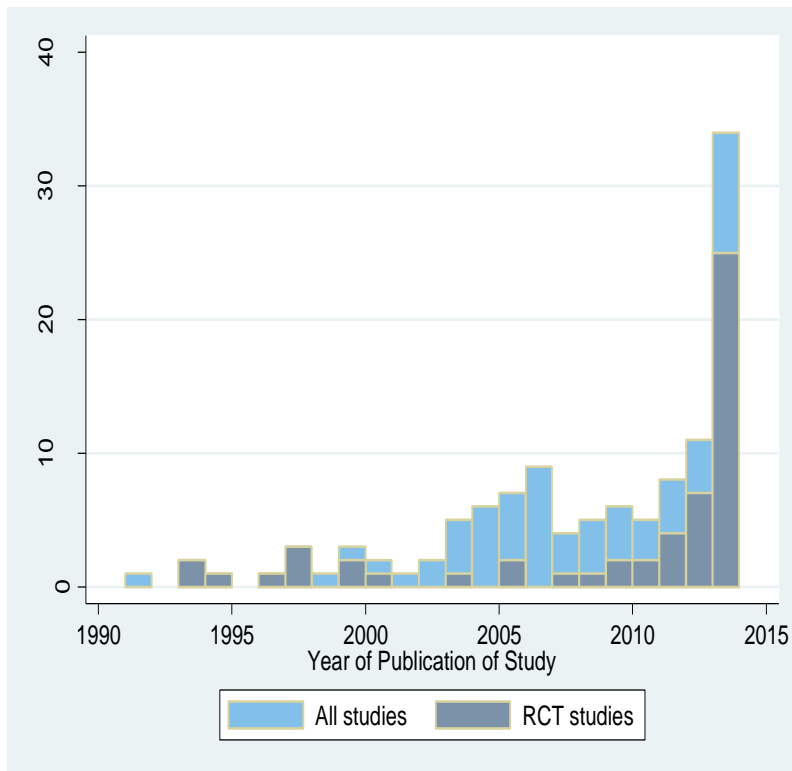
Note: Programs may have more than one type of intervention.

Systematic Review: Distribution of programs by type



New contribution regarding evaluation design & coverage

**Search Results:
Evaluation
coverage**



Two measures, two dimensions

(I) PSS: Indicator of Positive Statistically Significant Treatment Effect Estimates

Treatment effect significant at the 5% level.

(II.a) Standardized Mean Differences (SMD) Effect Size

$$Y_i = \frac{\beta_i}{\eta_i}$$

β_i : Treatment effect estimate

η_i : Standard deviation of the outcome variable

(II.b) Standard Error of SMD

$$\sigma_i = \frac{Y_i}{t_i}$$

t_i : t-statistic associated with the treatment effect β_i

SMD & PSS summary measures

Methods: Aggregation

- Multiple studies per program and impact estimates per study (Multiple outcomes, subgroup analysis, specifications)
- Aggregation: Select only relevant estimates (if overall programs only pooled estimates) and create summary effect size (unweighted mean).

$$Y_j = \frac{1}{m} \sum_{i=1}^m Y_{ij}$$

- For SMDs we estimate a standard error:

$$\sigma_j = \sqrt{\left(\frac{1}{m}\right)^2 \left(\sum_{i=1}^m \sigma_i^2 + \sum_{i \neq k} \rho_{ik} \sigma_{ij} \sigma_{kj}\right)}$$

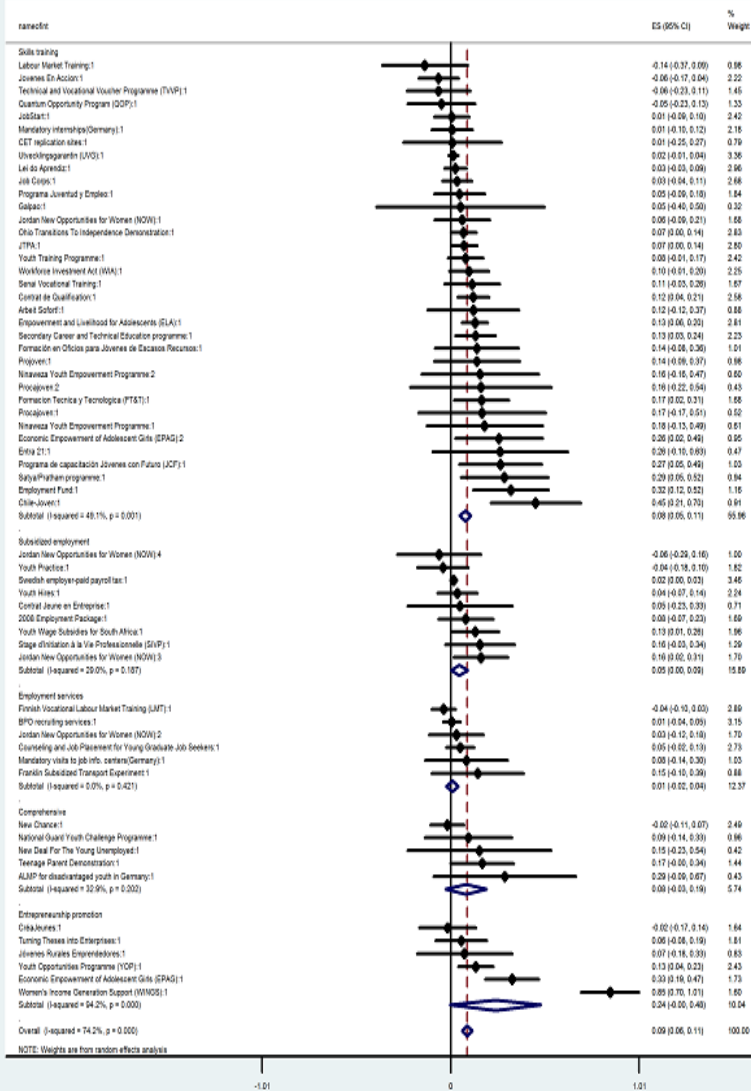
Empirical Findings: Means

Mean effect sizes

	% Positive Significant	Mean # SMD	Effect Sizes		% Positive Significant	Mean # SMD	Effect Sizes
<u>(a) Type of outcome:</u>				<u>(b) Main Intervention Category</u>			
Employment	0.355	0.111	2378	Skills training	0.348	0.081	2359
Earnings	0.337	0.086	1027	Entrepreneurship Prom	0.319	0.077	249
Business Performance	0.248	-0.038	170	Employment Services	0.204	0.025	203
<u>(b) Follow-up Timing:</u>				Subsidized Employment	0.366	0.084	574
Within one year	0.301	0.059	1108	Comprehensive	0.313	0.134	175
Over one year	0.372	0.124	1607	Total	0.335	0.078	3560

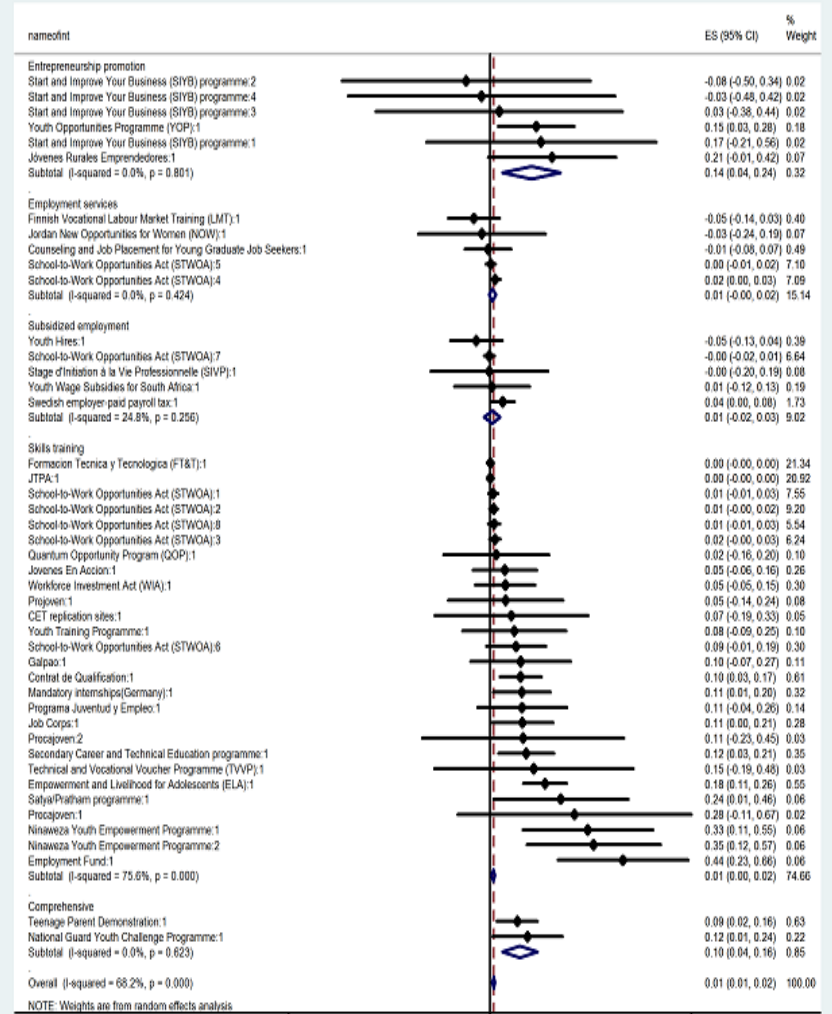
Employment Outcomes (All)

By Main Category of int_cat_main



Income Outcomes (All)

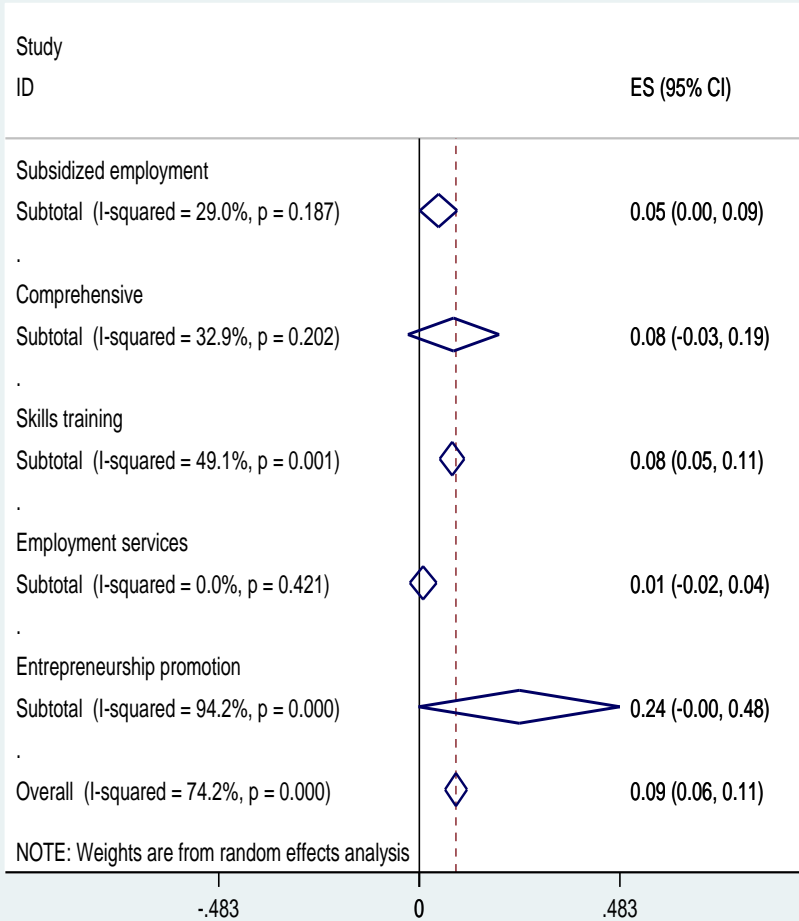
By Main Category of int_cat_main



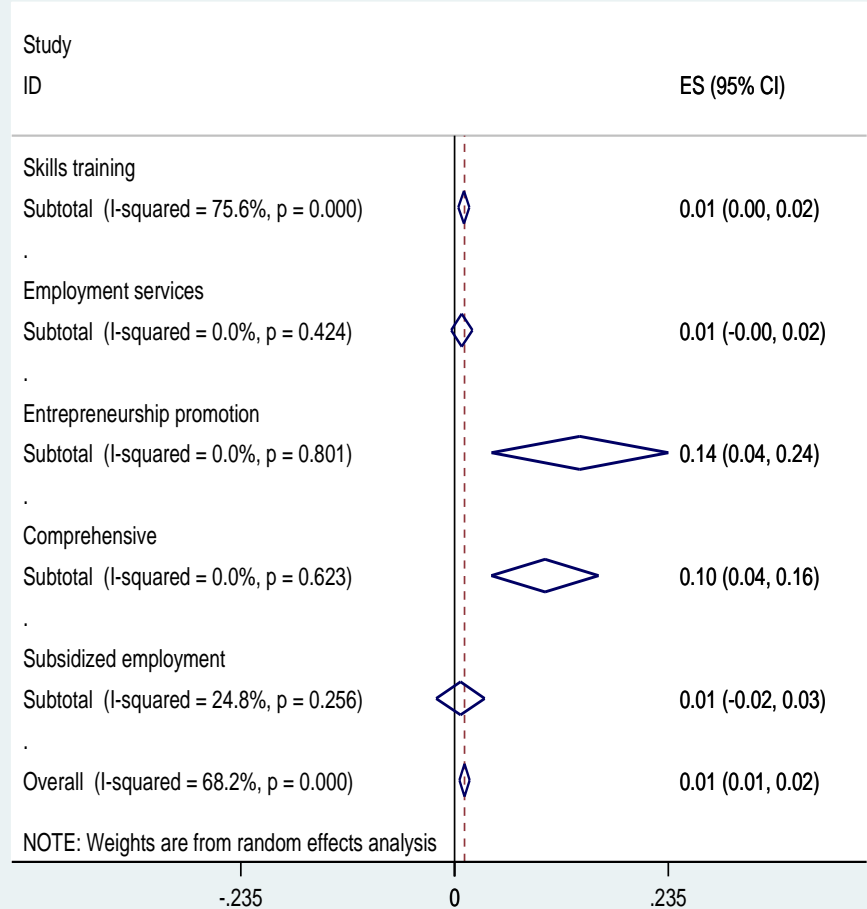
NOTE: Weights are from random effects analysis

Empirical Findings: Aggregates

Employment Outcomes (All)

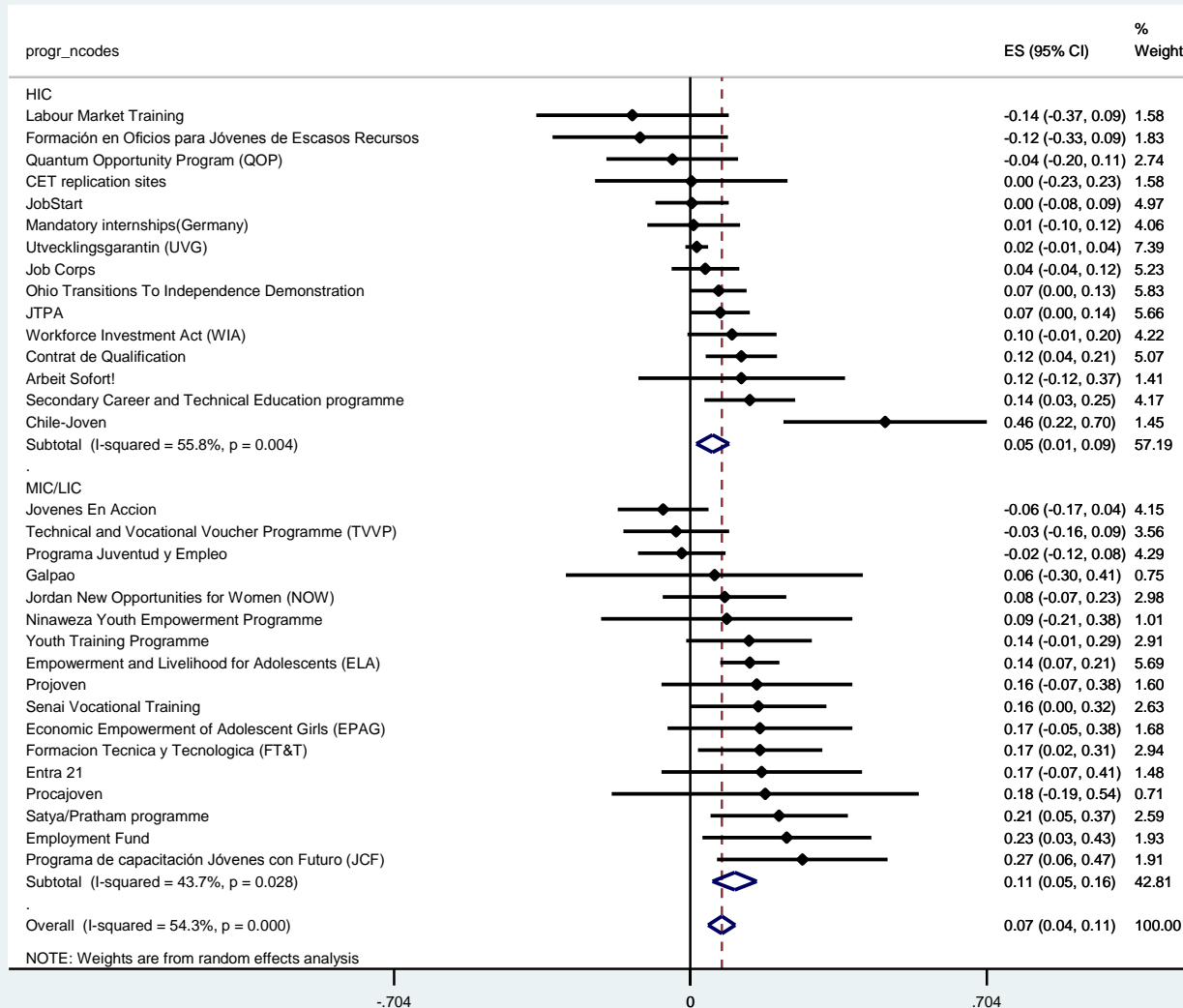


Income Outcomes (All)

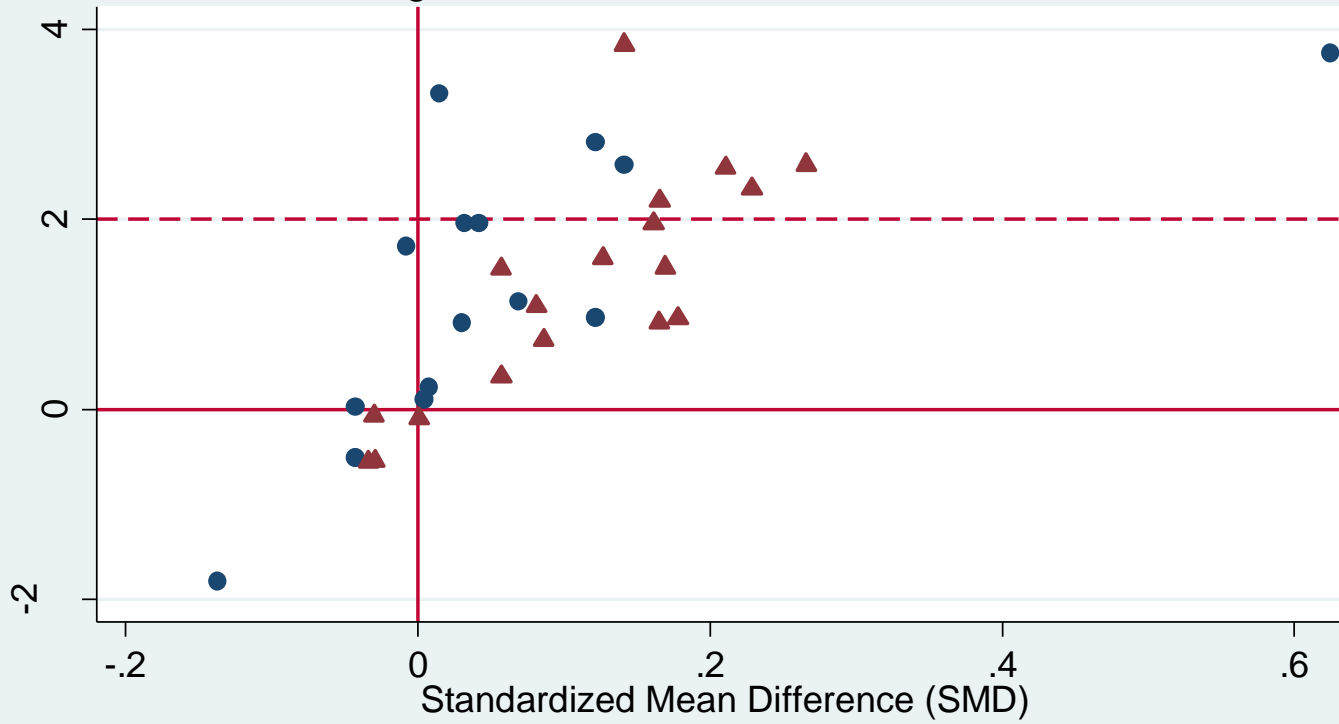


Effect Size for Employment Outcomes

Skills programs



Employment outcomes for skills training programs High vs. Middle & Low income countries



● HIC ▲ MIC/LIC

T-stat avg:HIC(1.28) MIC/LIC(1.27) ; SMD avg:HIC(0.06) MIC/LIC(0.11)

Employment outcomes for High Income Countries

	PSS				SMD			
<u>Base main category: Skill training</u>								
Main Category:comprehensive	-0.01 [0.09]	-0.003 [0.02]	-0.035 [0.32]	-0.014 [0.13]	0.036 [0.59]	0.066 [1.05]	0.086 [1.21]	0.047 [0.51]
Main Category:entr. prom.	-0.08 [0.40]	0	0	0	-0.110** [2.29]	-0.100** [2.46]	-0.092* [1.85]	-0.131* [1.96]
Main Category:empl. serv.	-0.263* [1.82]	-0.332* [1.76]	-0.430** [2.26]	-0.473*** [2.60]	0.005 [0.14]	0.017 [0.22]	0.052 [0.57]	0.064 [0.69]
Main Category:subs. empl.	-0.221* [1.82]	-0.526*** [3.72]	-0.559*** [2.88]	-0.590*** [3.01]	0.112 [0.97]	0.139 [0.85]	0.182 [1.18]	0.192 [1.15]
Log Evaluation Sample Size	0.038* [1.76]	0.024 [0.86]	-0.003 [0.07]	-0.006 [0.13]	-0.027* [1.76]	-0.034** [2.16]	-0.035 [1.64]	-0.032 [1.48]
Eval. design:RCT		-0.13 [1.12]	-0.017 [0.13]	-0.01 [0.08]		-0.111** [2.18]	-0.116 [1.52]	-0.102 [1.35]
Publication Peer-Reviewed		-0.095 [0.79]	-0.117 [0.95]	-0.083 [0.58]		-0.076 [1.24]	-0.109 [1.47]	-0.082 [0.77]
Follow-up over one year later		0.082 [0.78]	0.016 [0.16]	0.02 [0.20]		0.105* [1.75]	0.106 [1.63]	0.120** [2.16]
Male participant			-0.044 [0.53]	0.023 [0.26]			0.056 [1.20]	0.025 [0.49]
Female participant			-0.072 [0.71]	-0.021 [0.18]			-0.003 [0.06]	-0.023 [0.42]
Group for which effect is estimated: Low Income / Disadvantaged populations			-0.191 [1.19]	-0.237 [1.42]			0.024 [0.26]	0.07 [0.65]
Program in Local or Pilot Scale				0.063 [0.38]				-0.037 [0.34]
Constant					0.274* [1.98]	0.318* [1.96]	0.296 [1.39]	0.246 [1.10]
R2	0.04	0.12	0.15	0.16
N	818	405	396	363	494	313	308	275

Employment outcomes for Middle and Low Income Countries

	PSS				SMD			
<u>Base main category: Skill training</u>								
Main Category:entr. prom.	0.169	0.151	0.202**	0.198**	0.167	0.175	0.231**	0.221**
	[1.44]	[1.37]	[2.35]	[2.24]	[1.09]	[1.32]	[2.12]	[2.17]
Main Category:empl. serv.	0.046	0.013	0.046	0.049	-0.048	0.031	0.117	0.12
	[0.52]	[0.11]	[0.42]	[0.45]	[0.95]	[0.47]	[1.51]	[1.44]
Main Category:subs. empl.	0.207**	0.154	0.11	0.111	0.003	-0.023	0.084	0.079
	[2.05]	[1.16]	[0.70]	[0.71]	[0.10]	[0.43]	[1.34]	[1.27]
Log Evaluation Sample Size	0.037	0.042	0.058	0.055	-0.013	-0.001	0.017	0.013
	[0.88]	[0.93]	[1.48]	[1.41]	[1.59]	[0.05]	[1.05]	[0.98]
Eval. design:RCT		0.047	0.074	0.077		0.091	0.114	0.125
		[0.38]	[0.76]	[0.78]		[1.33]	[1.47]	[1.45]
Publication Peer-Reviewed		0.05	0.009	0.004		-0.209**	-0.263***	-0.272***
		[0.41]	[0.08]	[0.04]		[2.64]	[3.12]	[2.88]
Follow-up over one year later		0.018	0.047	0.049		0.079	0.104	0.105
		[0.16]	[0.51]	[0.56]		[1.09]	[1.65]	[1.66]
Male participant			0.141*	0.141*			0.059	0.067
			[1.78]	[1.80]			[0.88]	[0.99]
Female participant			0.199**	0.202**			0.073	0.08
			[2.16]	[2.27]			[1.54]	[1.60]
Group for which effect is estimated: Low Income / Disadvantaged populations			-0.056	-0.057			0.157**	0.155**
			[0.45]	[0.45]			[2.42]	[2.45]
Program in Local or Pilot Scale				-0.019				-0.038
				[0.23]				[0.63]
Constant					0.209***	0.054	-0.262	-0.227
					[2.96]	[0.40]	[1.29]	[1.29]
R2_P	0.03	0.03	0.08	0.08
N	483	470	468	468	312	300	299	299

Women's Income Generation Support (WINGS) **Entrepreneurship Promotion, Uganda**

Evaluation: Blattman and Green, 2014

**Empirical Findings:
Highlight of strong
evaluation results**

Program Description

- 15 most marginalized people X 120 Villages
- Business advisory / mentoring
- Visits ~5 over 6 months
- Business skills 25 hours
- Grants (\$150)
- Post-conflict region

Results

- % in non-farm business doubles(49-80%)
- Weekly hours from 14-24 hours
- Income increases by .6 standard deviations

Potential keys to success

- Highly specific target (S. Uganda, at local level/scale)
- Nudge away from farm activity related investment (petty trade)
- Visits and sequenced payments strongly encouragement investment & continued engagement in program

Satya/Pratham programme

Skills training with entrepreneurship component, India

Evaluation: Matria and Mani, 2014

**Empirical Findings:
Highlight of strong
evaluation results**

Program Description

- 6 months of training in stitching and tailoring
- Women 18-29, 5+ years in school in poor slums in New Delhi
- Designed & Implemented with NGO involvement
- Payments required by participants (Rs 50), reimbursed in the end

Results

- 6% more likely to work (both self and wage employment)
- Increased labor supply.
- Earnings increase of 150%

Potential keys to success

- Highly specific target (New Delhi Slums, at local level/scale)
- Commitment mechanism

Some initial findings:

1. Overall youth employment programs have a positive detectable effect on labor market outcomes
2. All categories of intervention save for employment services show a positive effect on employment
3. Youth employment programs make a greater difference for employment outcomes than income outcomes
4. Outcomes are overall greater for low and middle income countries jointly than high income countries (including skills program)
5. More rigorous evaluations (RCTs) do not necessarily detect larger or more significant effects
6. Indication that short term evaluations are likely to fail to capture the effect of program, specifically in terms of magnitude
7. Indication that entrepreneurship promotion programs are more effective than skill training programs for employment outcomes for the of lower and middle income countries jointly. Needs further testing.

Thank you

jromero1@worldbank.org

