

## **Evidence from Randomized Control Trials in Youth Employment**

Youth Employment Programme: What Works in Youth Employment

**Tuesday, 12 July 2016, 10:00 – 12:30**

**Room VII, R2 South**

International Labour Office, Geneva

Following the global Call for Action on Youth Employment of the International Labour Conference in 2012 and the ILO's Area of Critical Importance on Jobs and Skills for Youth, the ILO's Youth Employment Programme (YEP) has developed a service line to assist constituents to rigorously evaluate youth employment interventions, with the goal of increasing the evidence to understand "what works" in youth employment. The workshop will share findings from recently completed randomized control trials, focusing on public works, skills development and entrepreneurship. A regional impact research agenda for youth employment in the Middle East and North Africa will also be presented, identifying gaps in the evidence base in youth employment.

**Moderator: Valter Nebuloni, Head, ILO Youth Employment Programme**

**Patrick Premand, Economist, World Bank**

Labour-intensive public works (LIPW - THIMO) for the youth in Côte d'Ivoire

**Nathan Fiala, Assistant Professor, University of Connecticut**

Business is tough, but family is worse: Experimental evidence from the ILO Start and Improve Your Business (SIYB) Programme in Uganda

**Jonas Bausch, Researcher, ILO**

Impacts of Skills Training on Financial Behaviour, Employability, and Educational Choice of Youth: Findings from a Randomized Controlled Trial in Morocco

**Kevin Hempel, Consultant, ILO**

Regional Impact Research Agenda for Youth Employment in the Middle East and North Africa: the Evidence Gaps

### **Attendance**

The workshop is a public event with a limited amount of space. Participants are asked to register for the event at [taqcem@ilo.org](mailto:taqcem@ilo.org)

## Research abstracts

### **Labour-intensive public works (LIPW - THIMO) for the youth in Côte d'Ivoire**

While public works are a very popular instrument, evidence on their effectiveness remains limited. There is also thin evidence on the role of complementary interventions delivered to public works beneficiaries with the objective to facilitate their longer-term labour-market insertion. This study presents results from the impact evaluation a public works programme implemented as part of the Côte d'Ivoire Emergency Youth Employment and Skills Development project (PEJEDEC). The public works intervention provided 6 months of temporary employment in roads rehabilitation for urban youths. In addition, a randomized sub-set of beneficiaries also received (i) basic entrepreneurship training to facilitate set-up of new household enterprises and entry into self-employment, or (ii) training in job search skills and sensitization on wage employment opportunities to facilitate access to wage jobs. In the short-term, results show limited impacts on the level of employment, but a shift in the composition of employment towards better-paying wage jobs offered by the program. In the medium-term, no lasting impacts are observed on the level or composition of employment. Positive impacts are observed on earnings, mostly driven by higher productivity in non-agricultural self-employment activities. These sustained impacts are mostly driven by youths who participated in the public works and complementary basic entrepreneurship training. Large heterogeneity in impacts are found, with more vulnerable individuals and women benefitting much more both in the short and medium-term. Benefits for less vulnerable are mostly concentrated on non-economic 'behavioural' dimensions in the short-term.

### **Business is tough, but family is worse: The role of family constraints on microenterprise development in Uganda - Experimental evidence from the ILO Start and Improve Your Business (SIYB) Programme in Uganda**

Utilizing a field experiment and incentivized games, this study explores the role of the trust an individual has in their spouse for usage of money on the effect of a capital and training programme intended to expand existing businesses. There are three main findings. First, men and the husbands of women offered the loan-with-training programme show large impacts on business profits. The study finds no effect for male owned enterprises from the grants. Consistent with a well-developed literature, the study finds no effect from any of the programmes on female-headed businesses. Second, the study finds no effect on the spouse's business for any of the programmes except the loan-with-training programme. Third, the results for an incentivized game where individuals could hide money from their spouses but at a significant cost correlate significantly with investment decisions by the business owner. The results are consistent with a model of strong female household constraints: women have little control over resources in the family and so hiding money means they keep control of it and can use it in their business. Men have less fear of losing control of money in the household and so do not mind sharing money.

## **Impacts of Skills Training on Financial Behaviour, Employability, and Educational Choice of Youth: Findings from a Randomized Controlled Trial in Morocco**

The study evaluates a skills training intervention, called 100 Hours to Success, which targeted youth between the ages of 15 and 25 living in Morocco's Oriental Region. Its curriculum consisted of three main modules, financial inclusion, life skills and entrepreneurship. This study seeks to assess the impact of 100 Hours to Success on a range of outcomes related to financial inclusion, employability and human capital acquisition. To rigorously assess the impact of 100 Hours to Success, the study was designed as randomized controlled trial (RCT) aiming to create two groups – a treatment group and a control group – that, on average, share identical characteristics and only differ with respect to programme exposure. The study sample includes 1815 youth. This evaluation suggests that 100 Hours to Success affected participants along several dimensions: a strong positive and highly significant impact of 27 percentage points on participants' likelihood to maintain a savings account; no evidence that the effects on maintaining a savings account and financial literacy translate into impacts on actual savings; no evidence of long-term effects on self-efficacy and self-reported capacities of participants with respect to leadership, team work, problem solving, and willingness to take risks; mixed effects on labour market participation and educational choice: Male participants, older participants and participants from more affluent households are significantly more inclined to stay in education while at the same time remain outside of the labour force.

## **Regional impact research agenda on youth employment in the Middle East and North Africa: the Evidence Gaps**

A key challenge in promoting evidence-based programming and policymaking is the limited uptake of evaluation findings. Despite a growing body of evidence on what works (or not) to promote young people's transition to the labour market, many government and NGO programmes are not aligned with this evidence. One apparent barrier is that existing evaluations are not perceived as sufficiently relevant by policymakers and implementers on the ground. Indeed, programme evaluations are often driven by researchers based on the gaps in the global evidence base and their personal research priorities, which risk to not be fully aligned with the current priorities and learning objectives of implementing agencies. The Regional Impact Research Agenda is a first attempt to bridge this gap in the Middle East and North Africa (MENA). It follows a bottom-up approach to defining knowledge gaps and research priorities by interviewing key stakeholders and reviewing recent and ongoing evaluations. The presentation will discuss the process adopted in developing the research agenda as well as preliminary findings regarding the priorities for future intervention research in the eyes of practitioners from the MENA region.