Youth Employment Training Program

Lessons from Dominican Republic

February 21, 2009

Cornelia Tesliuc
Senior Social Protection Specialist,
Human Development Department, Latin America and the Caribbean, World Bank
DO Youth Employment Training Program

Objective

To improve employability of at-risk youth by building their work experience and life-skills.
Program description

1. Classroom-based training (220 hours)
   - Vocational Training to promote a specific skills set (150 hours). Training content agreed with local employers
   - Life skills training (75 hours): self-esteem promotion, conflict resolution skills, communication skills, etc

2. Apprenticeship in private companies (240 hours)
   - learning on the job 6 h per day during 8 weeks
   - Counseling with the training provider 4 hours per week (8 weeks)

3. Youth receive a daily stipend (US$2/day to cover transportation cost)
Program description cont.  
Targeted population

- Youth 16-29 years old
- Has not completed secondary school
- Is willing to be trained and work
- Is unemployed, sub-employed or inactive
- Belongs to the poorest 40% of households as per the Beneficiary Identification System for social programs (SIUBEN)
Impact evaluation-first phase

**Experimental Impact Evaluation** to evaluate the first phase of the program (with IADB support) measured **impact on employment, earnings, health insurance:**

- No significant impact of training on the likelihood of having a job (however, some regional differences)
- Higher wages for participants: 10% increase but not maintained over time
- Better quality of employment: higher coverage of health insurance conditional on employment
- Male teens (17-19) benefit most from the program
- Greater impact in urban areas, especially Santo Domingo
Increased self-esteem (62% beneficiaries versus 38% controls)

Participants more likely to have used condoms during the three most recent relations than control group

Participation in the program decreased the likelihood of participation in fights in the 12 months preceding the survey

The program decreased women’s likelihood of being a crime victim when they complete the two steps of the treatment

Young people have decreased the consumption of alcoholic beverages.

Participating women 17-21 living in Santo Domingo less likely to suffer from sexually transmitted diseases

Other unintended impacts

Phased and internship weeks when they complete both the classroom and the internship during the past 4 weeks.
Lessons learned from evaluation that led to important changes in program design

- Increased emphasis on strengthening the link with the private sector
- Develop a new life skills module after reviewing best practices + develop manuals + training of instructors
- Better supervision during internship in firms: training institutes accompany the trainees during the internship
Lessons learned from evaluation that led to important changes in the design of the second phase, cont.

- Find alternative types of training for rural areas (including a pilot self-employment component)

- Training alone can not make for the opportunities lost by youth by dropping out of the education system prematurely ➔ “second chance” education programs can increase chances for labor market insertion

- Accompanying training with other active labor market policies: job search assistance, job fairs, etc
Impact evaluation
of second phase of program
2008-2011

Hypothesis tested:
Will examine whether the Youth Employment Program:

1. Increases the employment and earnings opportunities of program beneficiaries (at-risk youth);

2. Improves the quality of employment (i.e., wages, fringe benefits) of beneficiaries;

3. Reduces the extent of risky behaviors undertaken by at-risk youth through:
   - the development of employment opportunities that increase the cost of undertaking such behaviors, or through
   - a change in attitudes toward these behaviors induced by life skills training.
Evaluation design

- Randomized experimental design
- Sampling strategy: access to courses will be randomized across course applicants, based on excess demand for the courses.
- Of 35 eligible applicants
  - Group 1: Technical training + life skills + apprenticeship (20 of 35 applicants)
  - Group 2: Life skills + apprenticeship (5 of 35 applicants)
  - Group 3: Control group (5 of 35 applicants)
  - Group 4: Waiting list for group 1 and 2 (5 of 35 applicants)
Sampling Universe: 650 courses, 13,000 participants (20 per course)

<table>
<thead>
<tr>
<th>Sample size</th>
<th>Beneficiaries</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group 1: Training + Life skills + internship</strong></td>
<td>1560 (3 per course) Universe: 520 courses, 10,400 participants</td>
<td>1500 (3 per course) Universe: 1500</td>
</tr>
<tr>
<td><strong>Group 2: Life skills + internship</strong></td>
<td>1560 (12 per course) Universe: 130 courses, 2600 beneficiaries</td>
<td></td>
</tr>
<tr>
<td><strong>Total sample</strong></td>
<td>3120</td>
<td>1560</td>
</tr>
<tr>
<td>Type of data collection used</td>
<td>Rounds</td>
<td>1</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------</td>
<td>---</td>
</tr>
<tr>
<td><strong>Target population</strong></td>
<td>Universe</td>
<td>Treatment</td>
</tr>
<tr>
<td><strong>Instrument</strong></td>
<td>Baseline</td>
<td>Life skills</td>
</tr>
<tr>
<td><strong>Sample</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Indicators selected for the impact evaluation

- Employment and earnings
- Quality of employment
- Education
- Risky behavior
- Life skills

Indicators selected collectively by government and development agencies
Indicators selected for the impact evaluation

- Employment and earnings
  - Employment rate at 20 months after training
  - Number of hours worked
  - Earnings
- Quality of employment: health insurance, social security, formal contract, duration
- Employment history after graduation: movement in and out of employment
Indicators selected for the impact evaluation, cont.

- Education
  - Participation in second chance education programs EBA and PREAPARA
  - Participation in other forms of education
Indicators selected for the impact evaluation, cont.

- Risky behavior
  - Sexual activity and incidence of STD
  - Alcohol use/abuse
  - Substance abuse, including tobacco
  - Nutrition
  - Exercise/Fitness
  - Crime and violence
Indicators selected for the impact evaluation, cont.

- Life skills
  - Respect
  - Decision making capacity/ ability to solve problems
  - Critical thinking capacity
  - Creative thinking capacity
  - Responsibility
  - Emotions control
  - Communication
  - Conflict resolution
  - Self-esteem
  - Cooperation
  - Empathy
Challenges in evaluation

- Changes in the program implementation
  - Treatment group does not take/does not complete the program
  - Control group has access to other interventions

■ Externalities
  - Other members of the family/community might reduce their risky behavior or become motivated to participate in similar programs

■ Drop out
  - Difficult to follow up the control group over a long period of time

■ Coordinating with the private sector
  - Securing internship in companies that have vacancies
How can the challenges be overcome?

Change in the program design
- intensive monitoring of the participant in the program (longitudinal telephone surveys using Computer Assisted Telephone interviewing)
- 10% sample reserve

Externalities
- Proposal to carry out a separate investigation to understand the effect of the program on participants' friends

Reducing drop out
- Incentives (cell phone credit) for youth participating in telephone surveys

Coordinating with the private sector
- Adequate information campaign
THANK YOU!
Impact of training on Occupation Rate:
the difference between control and beneficiaries is insignificant overall

Source: Pablo Ibarrarán et al. (IADB, 2007)
... but significant impact in some locations

Occupation Rate: the difference between control and beneficiaries in Santo Domingo is significant

Source: Pablo Ibarrarán et al. (IADB, 2007)
Impact on Medical Insurance affiliation

• The difference between the proportion of ensured and employed beneficiaries and controls is more than 5%

• This result is especially significant for men. Among women the difference is smaller and insignificant.

• The largest effect is observable in the east of the country (17.3%).
Impact on Medical Insurance Affiliation

Source: Pablo Ibarrarán et al. (IADB, 2007)
Impact of program on Labor Income

- Participation in the Program has no significant effect on income level.
- In the first evaluation, positive but not very precise impacts are observed. However, these effects have not been sustained during the second measure.

<table>
<thead>
<tr>
<th></th>
<th>Beneficiaries</th>
<th>Controls</th>
<th>Difference</th>
<th>Margin of Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey 1</td>
<td>$3,236</td>
<td>$2,742</td>
<td>$494</td>
<td>$215</td>
</tr>
<tr>
<td>Survey 2</td>
<td>$3,829</td>
<td>$3,589</td>
<td>$240</td>
<td>$222</td>
</tr>
</tbody>
</table>

Source: Pablo Ibarrarán et all (IADB, 2007)