

Youth Employment and Skills Development in Côte d'Ivoire

Researchers:

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Sector(s): Labor Markets

Location: 16 localities (urban areas) in Côte d'Ivoire

Sample: 4,160 youth in 16 localities

Target group: Job seekers Youth

Outcome of interest: Earnings and income Employment Empowerment Self-employment Self-esteem/self-efficacy

Intervention type: Apprenticeships and on-the-job training Business skills training Information Training Employment

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Research Papers: Impacts à Court et Moyen Terme sur les Jeunes des Travaux à Haute Intensité de ...

Partner organization(s): Bureau de Coordination des Programmes Emploi (BCP-Emploi), World Bank, Côte d'Ivoire National Roads Agency (AGEROUTE), Côte d'Ivoire Government

Despite the popularity of public work programs as a way to address youth under-employment, rigorous evidence on their overall effectiveness remains thin. In partnership with the World Bank, BCPE, and the Ministry of Labor and Social Protection, researchers measured the short and longer term impacts of a public works program in Côte d'Ivoire. Results demonstrated that the program had no impacts on employment levels during the program, but did increase earnings for participants in both the short and long term. Additional analyses suggest that improving the targeting of the program could improve the program's cost-effectiveness.

Policy issue

Sub Saharan Africa currently faces a youth bulge in its population, with a large number of youths entering the working-age population. Yet most employment opportunities for youth are in self-employment in informal jobs with low productivity and earnings.¹ In Sub-Saharan Africa, labor-intensive public works programs have often been adopted in response to transient negative shocks such as those induced by climatic shocks, economic downturn or periods of violent conflicts. Recently, a range of African governments have started public works programs to address the challenge of youth underemployment.

While traditional welfare programs, such as unconditional cash transfers, could also be used to support the most vulnerable, public work programs are claimed to have a variety of advantages. For example, they could increase the future employability or productivity of the beneficiaries through skills development, savings facilitation or the signaling value of prior work experience. Complementary interventions, such as skills trainings, are sometimes provided to beneficiaries to reinforce their ability to transition into more productive employment after the program. Particularly relevant to the post-conflict environment of Côte

d'Ivoire where this evaluation took place, engaging beneficiaries in cash-for-work programs may also serve as a social stabilization tool. Finally, public work programs are appealing because, compared to other social programs, they may help better target services to those in need through self-targeting; only the vulnerable should be attracted to these programs, which usually pay low wages.

Despite the popularity of public work programs, rigorous evidence on their overall effectiveness remains thin. There is particularly limited evidence on the efficiency of self-targeting mechanisms on which public works often rely, or on the value-added of providing complementary training to facilitate transition into more productive post-program employment.

Context of the evaluation

Since the late 1990s, Côte d'Ivoire has experienced political, social, and economic unrest, including a crisis after the 2010 presidential elections. In an effort to stabilize the post-conflict context, improving employment opportunities for youths became a major policy objective for the Côte d'Ivoire government after the elections.

In 2011, the Ministry of Labor and Social Affairs and the Ivorian Office for the Coordination of Youth Employment Programs (BCPE), in partnership with the World Bank, launched the Côte d'Ivoire Youth Employment and Skills Development project (PEJEDEC). The project tested a range of approaches to improve employment opportunities for youths. Among these approaches, the government launched a public works program called THIMO in urban areas across the country with the objective to improve access to temporary employment and develop skills for low-skilled youth aged 18 to 30. 12,666 youth benefitted from this program between 2012 and 2015.



Youth in the program will receive on-the-job training in fields such as construction. Photo: Shutterstock.com

Details of the intervention

In partnership with the World Bank, BCPE, the Ministry of Labor and Social Protection, researchers conducted a randomized evaluation to measure the short-term and longer term impacts of the THIMO public works program that was implemented as part of PEJEDEC. The evaluation focused on the second wave of the program, implemented between 2013 and 2014. Baseline data was collected in June 2013 before the program started in July 2013.

From a total of 12,188 applicants,² public lotteries were used to select 3,125 program participants and 1,035 youth to serve as a comparison group which did not receive the program. Program participants were randomly divided into brigades, groups of 25 youth that would work together on the same public works project. Each brigade was then randomly assigned to one of the following treatment groups: *Standard public works program (45 brigades)*: Youth participated in a seven-month public works program aiming to improve public infrastructure (e.g., rebuilding roads, cleaning gutters, and maintaining green spaces). They received a daily income set at FCFA 2,500³ per day (US\$ 5) for 7 months, deposited directly into a bank account created for them. They also received basic information sessions on HIV/AIDS prevention, community involvement, and healthy habits.

- *Standard public works + self-employment training (40 brigades)*: In addition to the standard temporary employment program, participants received entrepreneurship training sessions (80 hours in total), as well as follow-up support to help them launch their own businesses.
- *Standard public works + wage-employment and job search training (40 brigades)*: In addition to the standard temporary employment

program, participants received information on wage-employment opportunities and how to search for and apply for jobs (80 hours in total).

Researchers collected data on youth employment outcomes (both wage and self-employment), earnings, savings, and expenditures, as well as non-economic outcomes such as time use, behavioral skills, well-being, and involvement in violent or risky behaviors. Data was also collected at the household level on consumption, expenditures, or employment of other household members.

A midline survey was implemented in December 2013 before participants graduated from the program and before the complementary trainings were implemented, in order to measure impacts during the program. Endline data was collected from March to July 2015, approximately one and a half years after the end of the program, to measure longer term effects on employment outcomes and earnings, including the value-added of the complementary trainings.

Results and policy lessons

Results demonstrate that the program had limited impacts during the program on participants' levels of employment and number of hours worked, reflecting a context with limited unemployment in which many workers work in low-productivity occupations. 86 percent of the comparison group was working 4 to 5 months after the lottery took place (with mean hours worked at 41 hours), compared to 98 percent of those assigned to the intervention (with mean hours worked at 44 hours). The program mostly induced shifts in the composition of employment, towards the better-paying wage jobs offered by the program. For the average participant, the program was therefore not a way to escape unemployment but rather a way to escape under-employment in low-paying informal activities. Monthly earnings increased by about FCFA 20,000 in the treatment groups (from a base of FCFA 60,000 in the comparison group). While the program managed to increase earnings, foregone earnings are quantitatively important: the net earnings gains for youths only constitute about 40 percent of the monthly transfer amount. These results suggest that self-targeting based on the formal minimum wage did not succeed in this context in attracting only the most vulnerable (e.g. those without outside employment opportunities) to participate in the program. There may be several reasons why self-targeting did not work. First, a job that pays the statutory minimum wage could still have attracted many workers in an environment where informal employment and self-employment are rampant. Second, because the public works program only required six hours of work per day, many applicants with other employment opportunities, especially those with flexible hours, might still have applied for the program as they could combine it with other jobs. Finally, while the unpleasant nature of the work may have discouraged some, it is unclear whether this work is more unpleasant than most informal activities. In fact, positive effects on overall well-being and behavioral skills are also found in the short term.

Twelve to fifteen months after the end of the program, no impacts were observed on the level (employment or hours worked) nor on the composition of employment (salaried work vs. self-employment). However, there were sustained positive impacts on earnings (FCFA 5,622 per month, a 11.6 percent increase relative to the comparison group), mainly stemming from higher earnings in non-agricultural self-employment activities.

The trainings were effective in improving knowledge in basic entrepreneurship and jobs search skills. They also led to youths applying these skills in practice, either by intensifying their search for wage jobs (e.g. using a CV for a job search, searching using ads or by applying independently) or their efforts to set-up a new activity (e.g. by undertaking a market study or a preparing a business plan). However, these changes in skills and practices were not sufficient to increase earnings beyond those generated by the basic public works program. The limited additional impact of the complementary training suggests that skills acquisition through these trainings was not the main mechanism that explains the post-program impacts.

Based on the estimates of direct earnings impacts on youths and detailed data on program costs, researchers estimate that the public works program was not cost-effective, with costs per participant about three times greater than the estimated benefit.

While results suggest that self-targeting based on the formal minimum wage was not efficient in this context, better targeting criteria could improve the program's cost-effectiveness.

Researchers are currently conducting additional analyses to better understand differences in impacts among distinct sub-groups of participants during and after the program using innovative machine learning techniques. Assessing the distribution of predicted impacts on earnings could help to better explain the magnitude of potential gains from better targeting, and whether there are trade-offs between maximizing impacts during or after the program. Results suggest that alternative targeting could strongly improve cost-effectiveness.

Bertrand, Marianne, Bruno Crepon, Alicia Marguerie, and Patrick Premand. "Contemporaneous and Post-Program Impacts of a Public Works Program: Evidence from Côte d'Ivoire." Working paper, May 2017.

Bertrand, Marianne, Bruno Crepon, Alicia Marguerie, and Patrick Premand. "Impacts à Court et Moyen Terme sur les Jeunes des Travaux à Haute Intensité de Main d'œuvre." Working paper, May 2016.

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1. Filmer, D., et al. 2014. *Youth Employment in Sub-Saharan Africa*. Washington, DC, World Bank.
 2. Eligible applicants were between 18 and 30 years old and had not participated in a previous wave of this program. A quota of 30% of positions were reserved for women. A lottery was held in each locality, separately for men and women.
 3. The transfer is set at the minimum official daily wage.