Increasing Employment and Earnings through a Skills Development Program for Youth in Côte d'Ivoire

Investigadores/as:

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Sector(s): Labor Markets, Social Protection

Fieldwork: IPA Côte d'Ivoire

Ubicación: 16 communes throughout the country : Abidjan (Marcory, Koumassi, Abobo, Yopougon), Yamoussoukro, Bouaké, Korhogo, Bondoukou, Abengourou, Daoukro, Dimbokro, Gagnoa, San Pedro, Daloa, Séguéla, Man

Muestra: 4,160 youth in 16 localities

Grupo objetivo: Job seekers Youth Workers

Resultado de interés: Earnings and income Employment Empowerment Self-employment Self-esteem/self-efficacy

Tipo de intervención: Apprenticeships and on-the-job training Business skills training Information Training Targeting Employment

Número de registro del AEA RCT Registry: AEARCTR-0000763

Socios Implementadores: 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. Researchers partnered with the Côte d'Ivoire government to measure the short- and long-term impacts of a public works program, along with complementary trainings on basic entrepreneurship and job search skills. In the short term, the program led to a shift toward wage jobs (as opposed to self-employment), higher earnings and savings, and improved well-being. However, most of these effects dissipated in the long-run.

Problema de política pública

Sub-Saharan Africa currently faces a youth bulge, with over half of the population under age 25.[1] Yet most employment opportunities for youth are in self-employment in informal jobs with low earnings. Public works programs are an important tool for policymakers who look to address the social challenges of unemployment, underemployment, and poverty.

While traditional welfare programs, such as 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 recipients' future employability or productivity through skills development. Some programs also include complementary interventions, such as skills trainings, to reinforce participants' ability to transition into more productive employment afterwards. In post-conflict settings, as is the case in some sub-Saharan countries, 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; based on the idea that only the most vulnerable people would be willing to engage in low-paying jobs.

Despite the popularity of public work programs, rigorous evidence on their overall effectiveness remains thin. Can public work programs with or without complimentary trainings improve work habits and behaviors to increase employability and earnings? And, do these programs effectively reach the most disadvantaged people through self-targeting?

Contexto de la evaluación

Since the late 1990s, Côte d'Ivoire has experienced political, social, and economic unrest, including a crisis after the 2010 presidential elections. [2] The decade-long crisis has led to high levels of unemployment, including youth that had been previously active in the conflict. In an effort to stabilize the post-conflict context, 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 Emergency Youth Employment and Skills Development project (PEJEDEC) in 2011. The project provided access to temporary employment and helped develop skills for unemployed or underemployed youth aged 18 to 30 in 16 urban areas across the country. Between 2012 and 2015, 12,666 youth benefitted from this program.

Participants in the public works program were employed for six months working on improving road infrastructure. They worked six hours per day, five days per week and were paid the minimum daily wage, corresponding to about US$10 per day (FCFA 2,500), or approximately US$223 per month (CFA 55,000). Wages were deposited in bank accounts that were created upon program enrollment. All participants in the public works program received a one-week basic life skills training covering issues related to HIV-AIDS, citizenship and hygiene. Some participants were also offered a complementary basic entrepreneurship training to facilitate their transition into more productive self-employment after the program ended. Finally, other participants were offered training on job search skills and information to facilitate their transition into wage jobs upon exit from the program.

Two people in hard hats at work.

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Detalles de la intervención

Between July 2013 and February 2014, researchers partnered with the Ministry of Labor and Social Affairs, the Ivorian Office for the Coordination of Youth Employment Programs (BCPE), and the World Bank to measure the short-term and longer-term impacts of the public works program that was implemented as part of PEJEDEC on employment, earnings, and business skills.

Given the number of applicants to the program far outstripped the resources available, participants were randomly selected via a random lottery. After an intense publicity campaign, 10,966 eligible individuals enrolled in the program across the 16 localities, and ultimately 3,125 youth were selected to participate in the program. Program participants were randomly divided into teams of 25 youth that would work together on the same public works project. Each team was then randomly assigned to one of the following program groups:

- Standard public works program (45 teams, 1,225 individuals): Youth participated in a seven-month public works program described above, and received the week-long basic skills training.
- Standard public works + self-employment training (40 teams, 1,000 individuals): In addition to the standard temporary employment program, participants received entrepreneurship training sessions (100 hours in total) to support them in initiating a non-agriculture micro-enterprise, as well as follow-up support to help them launch their own businesses.
- Standard public works + wage-employment and job search training (40 teams, 1,000 individuals): In addition to the standard temporary employment program, participants received training sessions on wage-employment opportunities

and how to search for and apply for jobs (80 hours in total).

Another group of 1,035 youth were randomly selected among the eligible individuals to be part of the comparison group, and thus received no training or employment. Researchers collected data before, during, and one and a half years after the program was completed. They asked participants about their 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.

Resultados y lecciones de la política pública

The program had limited impacts on participants' levels of employment and number of hours worked. In the short-term, the program led to a shift toward wage jobs (as opposed to self-employment), higher earnings and savings, and improved well-being. However, most of these effects dissipated in the long-run.

Employment: Between four and five months after the program started, there were some small changes in the likelihood that participants were employed and in their hours worked. The program mostly induced shifts in the composition of employment; 97 percent of program participants were working in wage employment, compared to 49 percent in the control group (representing an increase of 98 percent). However, twelve to 15 months after the end of the program, no impacts were observed on the likelihood of employment, the hours worked, or the composition of employment (salaried work vs. self-employment).

Earnings: The program increased monthly earnings by about FCFA 27,000 (US$110), a 45 percent increase from a base of FCFA 60,000 in the comparison group. While the program increased earnings, the foregone earnings from the paid activities that the participants scaled back or left are quantitatively important: the net earnings for youths participating in the program only constituted about 53 percent of the monthly transfer amount from the work program. Twelve to 15 months after the program, there were very limited sustained positive impacts on participants' earnings.

Savings: On average, program participants increased their savings by about FCFA 39,800 ($161) after about 4 months in the program, representing a 182 percent increase from the average savings in the comparison group (CFA 19,250, or US$78). Twelve to 15 months after the program ended, participants had CFA 11,500 (US$47) more savings, nearly 25% more savings than the control group. , and also approximately 30% of impacts at midline.

Self-targeting: Given the limited impacts on employment and earnings, the researchers conclude that the self-targeting component of the program did not succeed in targeting the most vulnerable. There may be several reasons why self-targeting did not work in this context. 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 high. Second, because the public works program only required six hours of work per day, many applicants with other employment opportunities might still have applied for the program, combining it with other jobs. Finally, while the unpleasant nature of the work may have discouraged some, it is unclear whether this work was more unpleasant than most informal activities. In fact, the program had positive effects on overall well-being, and youth participants reported feeling happy and proud.

Business skills and job search skills: The training improved knowledge in basic entrepreneurship and jobs search skills. Participants applied these skills in practice, either by intensifying their search for wage jobs or their efforts to set-up a new activity. However, the complementary trainings did not increase the impact of the work program on employment or earnings, suggesting that skills acquisition through these trainings was not the main mechanism that explains the post-program impacts.

Cost-effectiveness: Based on the estimates of direct earnings impacts on youths and detailed data on program costs, researchers estimate that the public works program costs per participant were about three times greater than the estimated benefit.

However, this does not take into account non-economic benefits such as well-being improvements.

Varying impacts: Researchers conducted additional analyses to better understand differences in impacts among distinct sub-groups of participants using innovative machine learning. They found substantial differences in earnings during the program across gender and predicted earnings, but not in the follow-up twelve to 15 months later. The results suggest that alternative targeting, for example by targeting women or low baseline earnings, could improve the program's cost-effectiveness.

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1. Filmer, Deon and Louise Fox. 2014. "Youth Employment in Sub-Saharan Africa." Africa Development Series. Washington, DC: World Bank. doi:10.1596/978-1-4648-0107-5. https://documents1.worldbank.org/curated/en/301371468003940792/pdf/ACS81330WP0P12977300Box385165B00PUBLIC0.pdf

2. World Bank. "Equipped with New Skills and Job Opportunities, Young Ivorians Find Gainful Employment." October 21, 2015. https://www.worldbank.org/en/news/feature/2015/10/21/equipped-with-new-skills-and-job-opportunities-young-ivorians-find-gainful-employment

3.