The Impact of an Online Entrepreneurial Mindset Training for Youth in Ecuador

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Sector(s): Education, Labor Markets

Fieldwork: Innovations for Poverty Action (IPA)

Location: Ecuador

Sample: 20,000 secondary students

Target group: Students Youth

Outcome of interest: Dropout and graduation Earnings and income Employment Enrollment and attendance Empowerment Aspirations

Intervention type: Business skills training Coaching and mentoring Digital and mobile Information Soft skills Online learning

Partner organization(s): Ministry of Education of Ecuador, University of Amazonica IKIAM

Recent studies have shown that a psychology-based entrepreneurial mindset training can have promising effects on business outcomes. In Ecuador, researchers are evaluating whether these skills can be taught at scale and online by testing the effects of an entrepreneurial mindset training program on youth education and employment outcomes. They are also investigating if and how the effects change when the program is paired with mentoring.

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Youth unemployment is a significant challenge in Latin America, making up 40 percent of the region's unemployed population. [1] Young jobseekers in the region are more than twice as likely than adults to be unemployed, and in the aftermath of the global financial crisis, this figure rose to nearly three times as likely in some countries. [2] Research shows that building an ecosystem that supports entrepreneurship and SME growth--including access to credit, availability of infrastructure, and access to education and training programs—is highly correlated with young jobseekers finding employment. [3] However, education and training programs are frequently not designed to match market demands for skills needed in the workforce. [4]Recent evaluations have found that integrating psychology into entrepreneurial skills training programs can have strong and sustained impacts on sales and profits. [5] However, these in-person training programs are expensive, and maintaining the quality of trainers as programs

scale challenging digital technology offers the promise of providing standardized high-quality content at scale, and raises questions about the appropriate mix of content to deliver online, and whether the online content needs to be supplemented with more personalized mentoring sessions.

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Youth unemployment is a significant challenge in Ecuador, where youth unemployment rate was more than two times that of the total employment rate in 2018. [6] To address this issue, researchers developed an entrepreneurship training program in collaboration with the Ministry of Education of Ecuador, in order to inform the design of a national education program. The training program will be delivered online to 20,000 students (aged 15-17 years old) in 110 public schools across three provinces in Northern Ecuador: Pichincha, Napo, and Orellana. This research is part of a broader effort to replicate and scale up entrepreneurial mindset training in different contexts.



Woman works on her computer in Ecuador.

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Researchers are evaluating the impact of a psychology-based entrepreneurial mindset training paired with either negotiations skills or scientific skills training, and mentoring. They will examine impacts on educational choices, personal initiative, employment outcomes, health, wellbeing, and female empowerment of youth in Ecuador. Data collection will utilize both administrative and survey data, most of which will be collected online.

The training curriculum includes entrepreneurship-related soft skills, scientific thinking hard skills, interviews with role models, information about job opportunities, and mentorship. Courses are delivered online through animated videos via a digital platform, and the courses are carefully designed to appeal to a wide group of students.
Components of the training program are randomized at four levels:

1. **Schools** are randomly assigned to receive entrepreneurship soft skills and scientific hard skills courses and serve as the treatment group, or receive a standard English and Spanish grammar course and serve as the comparison group. There are 70 schools in the treatment group and 40in the comparison group.
2. **Grades** in treatment schools are randomly assigned to receive soft skills courses, hard skills courses, or both.
3. **Classes** in treatment schools are randomly assigned to watch videos of interviews with entrepreneurs and scientists, and take the courses in different orders to minimize any effects that might arise from the order in which the courses were taken.
4. **Individuals** in treatment schools are randomly assigned to specific features of the program, including having a more adaptive learning experience, view interview sections, receiving information about career options, and receiving an invitation to participate in either a business or science competition or the mentoring program.

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Project on-going; results forthcoming.

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1. Herranz, David, and Adecco Group Latin America. "Youth Unemployment Is a Huge Problem in Latin America. Here's How to Solve It." World Economic Forum.

2. "World Development Indicators." DataBank. 2018.

3. He, Cheryl. "Youth Unemployment Is a Huge Problem for Latin America: How Entrepreneurship Could Be a Solution with the Right P3 Environment." Concordia. February 06, 2017.

4. Ibid.

5. Campos, Francisco et. al. (2017). “Teaching personal initiative beats traditional training in boosting small business in WestAfrica”. *Science* 357, no.6357. 1287-1290.

6. "World Development Indicators." DataBank. 2018.