EVIDENCE SYMPOSIUM:
Increasing Youth Productivity in the Middle East and North Africa

HOSTED BY:
Georgetown University, School of Foreign Service, Doha, Qatar

PARTNERS:
International Labour Organization
Silatech
Abdul Latif Jameel Poverty Action Lab
Arab Urban Development Institute

OBJECTIVES

1. Communicate findings and recommendations from recently completed impact evaluations on youth employment, entrepreneurship and productivity.

2. Provide an overview of impact evaluation and its importance for policy making and programme design, as well as basic training on impact evaluation methods and techniques including randomized control trials.

3. Catalyse new partnerships amongst donors, implementers, and researchers with the goal of advancing our knowledge of what works, and what does not, in promoting employment and entrepreneurship for disadvantaged young people.

The “Evidence Symposium: Increasing Youth Productivity in the Middle East and North Africa” was held at Georgetown University in Doha, Qatar on 6-8 March 2014. The goal of the Symposium was to share impact evaluation findings from youth employment interventions in order to increase the evidence base for improving youth productivity. The Symposium was organized under the ILO project ‘Taqeem Fund for Evaluation in Youth Employment’ and ILO’s Area of Critical Importance ‘Jobs and Skills for Youth’. The event was co-sponsored by Silatech, the Arab Urban Development Institute and the Abdul Latif Jameel Poverty Action Lab (J-PAL).

Unemployment, underemployment, and vulnerable employment have created a massive strain on labour markets around the globe. For youth, the burden is quite significant. Two out of five unemployed persons around the world are youth 15 to 24 years of age. These are nearly 75 million young men and women looking for a job. While official unemployment rates can be as high as 40 per cent in some Middle East and North Africa (MENA) countries, vis-à-vis a global youth unemployment rate of 13.2 per cent in 2014, this is only the tip of the iceberg. Amongst economically active youth, many are in unproductive jobs, have low earnings, high levels of insecurity, limited chances for advancement, and a lack of social protection. As adolescence is a critical period for developing skills, youth unemployment of this magnitude has significant implications for the future of the global economy. To combat this problem, governments across the world are seeking evidence on how to improve the employment situation of youth. While the evidence base is limited, results from experimental research from youth interventions are beginning to emerge.

The Symposium brought together 93 practitioners, academics, policy makers, and researchers to present and discuss the evidence base for ‘what works’. Discussants shared recent findings from empirical reviews and impact evaluations of youth employment interventions carried out in Africa, the Middle East, Europe, Latin America and the Caribbean. The Symposium also offered teachings on impact evaluation methods to assess and foster the use of this vital instrument in policy development. The Symposium provided a venue to share evidence with 22 policy makers from Egypt, Jordan, Lebanon, Morocco, the Occupied Palestinian Territory, Qatar, Saudi Arabia, Sudan, Tunisia and Yemen on what works, what doesn’t in addressing the youth employment challenge.
OPENING REMARKS

The Evidence Symposium comes at a time when young people in the MENA are affected by the highest youth unemployment rates in the world, reaching 29.4 per cent and 27.2 per cent in 2013. Transitions to decent work are constrained by skills mismatch, informal employment, underemployment, and low quality jobs. The employment situation of youth is complex in a region where labour force participation rates of women are low and highly educated youth are increasingly unable to find jobs that match their qualifications. The urgent need to improve the employment situation of youth is closely linked to the economic, social and political prospects of the region.

It is a complex problem that needs practical and effective solutions. While conventional approaches of dealing with the youth employment challenge remain the norm, little is known about their effectiveness. The lack of programme evaluations in the region has resulted in the replication of traditional approaches, limiting space for testing new ideas.

Experimentation and innovation in programming are essential to pilot new and promising interventions aimed at improving labour market outcomes. Evaluations of these programmes increase the knowledge about effective youth employment interventions. Impact evaluations bridge the gap between the needs of policy makers and the expertise of researchers. They provide policy makers with information that can guide them in the formulation of tailored youth employment policies and programmes.

Capacity-building initiatives are needed to train and inform stakeholders about results-based monitoring and evaluation. The Taqeeem Fund for Evaluation aims to strengthen the results measurement activities of youth-serving organizations by providing training on monitoring and evaluation as well as assisting in the design of impact evaluations. Impact evaluations are encouraged in particular settings to thoroughly estimate the causal impact of an intervention on outcomes. Rigorous methodologies ensure attribution while unveiling the main policy and programmatic questions on what works, why, and how. Investing in impact evaluations requires deliberate action as their cost and associated time lags should not be underestimated. The accumulation and dissemination of knowledge as well as the replication of effective interventions can have significant implications for research, policy and programming.

The Symposium began with an overview of the latest evidence on youth employment delivered by Bruno Crépon from ENSAE, France, and Jochen Kluve from Humboldt University, Germany. Nathan Fiala from the German Economic Institute then explained why impact evaluations are important and summarized some key impact evaluation methods.

The Symposium presented the findings and recommendations from preliminary or completed impact evaluations divided into four thematic areas:

1. Labour market training
2. Entrepreneurship and self-employment
3. Wage subsidies programmes and intermediation
4. Public works programmes

The Symposium provided a platform for participants to forge partnerships and
discuss collaboration between research and policy communities.

References

1. ILO Global Employment Trends for Youth: www.ilo.org/getyouth
2. ILO YouthStats: www.youthstatistics.org
3. Youth Employment Inventory: www.youth-employment-inventory.org
4. Measuring Success of Youth Livelihood Interventions [Research paper | Presentation]

LABOUR MARKET TRAINING

Researchers:
Adriana Kugler, Georgetown University
Bibiana Taboada, Inter-American Development Bank
Paul Dyer, Silatech
Jochen Kluve, Humboldt-Universität zu Berlin and RWI

KEY MESSAGES

- Training effectuates long-term impacts on labour market outcomes due to its human capital accumulation component.
- Comprehensive training programmes have stronger, better impacts for youth than single pronged training measures.
- While impacts on employment and earnings may take time to realize, training can cause rapid positive changes in behaviours, which ultimately improve work and life prospects for youth.
- Demand-driven programme designs that allow community and private sector participation can reduce skills mismatch.
- Knowledge gaps persist in the specific design of programmes (e.g. optimal duration, right combination of services) and detailed targeting.

Skills training programmes are the most widely used labour market intervention for young people and are increasingly delivered as a complement to other labour market measures. They offer skills training to improve youth employability and facilitate their transition into the labour market. Training programmes may include (i) basic skills, (ii) vocational and technical skills, (iii) skills for work and life, and (iv) entrepreneurship skills. They can be delivered in-classroom or on-the-job and can also combine targets of job insertion and placement.

Evaluations have shown that the long-run impacts of human capital based interventions can be positive. Yet negative effects can result from obsolete and untargeted training. It is therefore essential to link training programmes to private sector demand and involve the private sector in the identification of skills and training provision.

The first study presented the impacts of Jóvenes en Acción,1 a training programme for disadvantaged youth in Colombia, which showed the positive role of partnerships between training institutions and employers in reducing skills mismatch. The second study evaluated Juventud y Empleo, a comprehensive training programme in the Dominican Republic,2 which captured positive impacts on skills for work and life, and offered a picture of the underlying channels and mechanisms to achieve changes in labour market outcomes. The third presentation showed preliminary findings from an innovative intervention in Morocco, MEDA’s “100 Hours to Success” programme, that provides training on life skills, entrepreneurship, and financial education.3

Single evaluations were followed by a discussion from a meta-analysis of labour market training programmes.4 Overall, training programmes comprising multiple components tend to increase the probability of observing positive labour market outcomes on youth. The impact of training can increase with time after the "The mix of programming is the key to unlocking the ability of young people to make the transition from school to work and to start either engaging effectively in the employment market or to start their own businesses." — Paul Dyer
Successful entrepreneurship programmes need to combine various interventions in order to address the multiple constraints faced by young entrepreneurs, from lack of financial, social, and human capital to regulatory constraints. Programs promoting self-employment opportunities and small scale entrepreneurship have the potential to improve labor market outcomes. Nevertheless, knowledge gaps remain on how to design and implement these programmes in different contexts. An important step towards improving the design of youth entrepreneurship programmes is to be able to differentiate necessity and opportunity entrepreneurs. Each type requires tailored measures.

Entrepreneurship interventions aim at providing entrepreneurial skills as well as physical, financial, and social capital for self-employment. The MENA region is characterized by a high level of entrepreneurship, yet entrepreneurial activities are mainly driven by necessity. More than 80 per cent of entrepreneurs in the region operate micro businesses and are constrained by access to finance, managerial human capital and skilled labour, social capital, access to markets, and/or regulatory constraints. A growing body of literature provides evidence on the effects of access to finance and human capital.

The Symposium featured evidence from two entrepreneurship interventions in Uganda; one looking into the impact of life skills and livelihood training on economic and health-related outcomes of young women and the other one examining the business growth impact of a multi-arm experiment that offered youth business training, loans, and grants. This comparison of differential impacts programme ends due to the positive effect on human capital accumulation. Still, there are some important knowledge gaps from the role of context to differences between short and long term effects.

Presentations were followed by Q&A which focused on the optimal duration of training programmes, the influence of the business cycle in altering the effectiveness of training, the importance of multiplier and community effects to improve planning and programming processes, the use of social media to hedge against attrition, and the timing of evaluations to maximize their influence in the policy cycle. The audience recognized the importance of securing strong links between training investments, education policies and labour market regulations.


SELF-EMPLOYMENT AND ENTREPRENEURSHIP

KEY MESSAGES

- Successful entrepreneurship programmes need to combine various interventions in order to address the multiple constraints faced by young entrepreneurs, from lack of financial, social, and human capital to regulatory constraints.
- Programmes promoting self-employment opportunities and small scale entrepreneurship have the potential to improve labor market outcomes. Nevertheless, knowledge gaps remain on how to design and implement these programmes in different contexts.
- An important step towards improving the design of youth entrepreneurship programmes is to be able to differentiate necessity and opportunity entrepreneurs. Each type requires tailored measures.
from loans and grants was complemented with a discussion of the impacts of a cash transfer programme for disadvantaged youth in France. Evidence from the MENA highlighted findings and key lessons from an impact evaluation of an entrepreneurship track that provided business training and personalized coaching to university students in Tunisia. Innovative evaluation designs and preliminary findings were shared from the evaluation of the reality TV show El-Mashrou3 in Egypt and the Youth Startup Credit Programme in Yemen. Evaluation evidence on youth financial inclusion was also featured and discussed during the keynote speech by Dean Karlan.

"Content matters. Let’s stop asking, “Do training programmes work?” In terms of human capital, it is important to open the black box of training and look into the different mechanisms that are acting on why a specific training is either working or not working before we start generalizing about their results.” Lucia Sanchez

Following the presentations participants discussed how microfinance can be linked to outcomes of entrepreneurial projects and how the timing and conditions of microfinance influence programme impact. Participants mentioned the importance of measuring impact across age cohorts and contextualizing such impacts to the economic and social environments. Learning from other experiences was regarded as a valuable practice though more evidence is needed on what works to support young entrepreneurs in unstable contexts.

1. Self-Employment and Entrepreneurship: Evidence and Implications for the Youth [Presentation]
4. Money Transfers to Disadvantaged Youth (France) [Research paper / Presentation]
6. Evaluating the Impact of Entrepreneurship Education (Egypt) [Presentation]
7. Impact Evaluation of Al-Amal Microfinance Bank’s Youth Loan Programme (Yemen) [Presentation]
8. Entrepreneurship and Financial Inclusion for Youth: Results from Three Randomized Evaluations [Presentation]
   - Starting a Lifetime of Saving: Teaching the Practice of Saving to Ugandan Youth [Project evaluation]
   - Evaluating the Efficacy of School Based Financial Education Programs (Ghana) [Project evaluation]
WAGE SUBSIDY AND INTERMEDIATION PROGRAMMES

KEY MESSAGES

- Wage subsidies can have positive though limited impacts on employment, which may be quite important when serving large unemployment groups in the labour market.
- Getting young people into jobs earlier through wage subsidies can have a longer term effect through learning and training opportunities on-the-job.
- Evidence points to the need to make wage subsidy design easy for both employers and workers, in order to reduce the inherent costs of their participation.
- Design features of wage subsidy programmes can be quite diverse and complex. Current evaluation evidence is still limited and findings cannot be confidently extrapolated to other contexts, stressing the need for more, rigorous evaluation of their implementation.
- Substitution and windfall effects can be sizable and need to be measured in evaluations.

Wage subsidies offer job opportunities to workers who would otherwise remain jobless or take suboptimal jobs that do not exploit their potential productivity. Subsidies are important to young jobseekers whose productivity is often lower than the market wage – due to the lack of work experience and information asymmetries. Without subsidised employment some youth may remain unemployed for long periods or engage in unsatisfactory jobs. During economic downturns, wage subsidies can moderate employment effects and the depreciation of skills in the labour force.

Presentations during the Symposium focused on recent evidence from an evaluation of wage subsidy vouchers in South Africa;1 and evidence from a series of soft skills training, wage subsidies and intermediation services experiments in Jordan.2 Despite concerns about negative effects of employment subsidies in South Africa, findings did not show any evidence of youth’s early exit from education or entering worse jobs. Also, there is no evidence of substitution effects. The study highlighted the need to lower the administrative burden for firms and to adjust duration and amount of the wage subsidy to the national labour market context.

In the case of Jordan, the set of studies stressed the role of networks and social capital in steering hiring decisions among firms as well as expectations among youth. On the one hand, positive employment impacts of wage subsidies fade away fast once the subsidy ends. On the other hand, matching reduces information asymmetries and search costs but does not affect employment or earnings among recent graduates. Youth’s expectations and aspirations seem to be strongly connected to jobs’ prestige and reputation.

Following the presentations participants discussed the role of public authorities in making job searches more effective, the applicability of wage subsidies in resource rich countries and the uptake and interpretation of research findings by public authorities in the case of South Africa’s Employment Tax Incentive (ETI) aimed at encouraging employers to hire young and less experienced workseekers.


[Research paper / Policy brief / Presentation]
KEY MESSAGES

- Public works programmes can be a critical social protection tool and can have significant multiplier effects when well targeted, designed, and implemented.
- Pilot tested and carefully evaluated programmes are needed to improve knowledge on what works among the multiple design features in public works programmes.
- Good governance is crucial to secure programme effectiveness. The use of IT tools is showing positive outcomes in this regard.

Labour intensive public employment programmes can take the form of public works or employment guarantee schemes, or some other variations engaging public and private partnerships. Despite the strong association of these programmes with infrastructure and construction works, there is a growing trend towards works in the social sector, environmental services, and multi-sectoral, community driven programmes.

The Symposium brought together renowned practitioners who presented and discussed findings from evaluations of public works programmes in Ethiopia and Latvia1 as well as new approaches to creating sustainability in public works.2 While public employment programmes are often recommended as short-term, crisis response measures (e.g. in response to seasonal shocks or economic recession), they are increasingly used as a regular component of wider employment policies. Public works programmes emerged as a critical social protection response in many low and middle income countries – especially in the 2000s.

Speakers highlighted the importance of creating an enabling environment, securing stable and predictable budgets, dealing with corruption and collusive practices, enhancing local government capacity, institutionalizing training, considering sector-wide skills development and putting joint efforts towards supporting existing national schemes to increase sustainability.

“Innovations are making public works programmes smarter and more efficient. Many countries are developing stronger IT based Management Information Systems to automate programme processes. This helps leapfrog implementation bottlenecks in facilitating beneficiary identification, tracking, payment, and programme monitoring.” Kalanidhi Subbarao

Participants discussed the potential impact of public works programmes on human capital formation. Empirical gaps remain regarding the effectiveness and wide design options of public works programmes. While some evidence exists on their effective use as safety nets, more needs to be learned about their labour market impacts.

“Research and evidence – especially empirical research – are the headlights for policy makers. They tell them where to go, where to optimize and where to leverage knowledge to make their interventions and programmes more effective.” Abdulkarim Alnujaidi

Policy makers are users of information and researchers are generators. There is a need for greater collaboration between policy makers and researchers so that research evidence can inform policy making. For the collaboration to be effective, policy makers need to be able to understand the design, implementation and results of impact evaluations, as well as the context in which this form of evidence has maximum utility in the policy making process. Training on impact evaluation methods is therefore needed to build the capacity, knowledge and competence of policy makers to engage with researchers.

While individual study, single-programme evaluations findings may inform policy making, meta-analyses and systematic reviews are needed to measure effectiveness of youth employment interventions by identifying common measures of effect size across multiple studies. The ILO and the World Bank are currently working on a global systematic review of youth employment interventions. A knowledge management system is needed that addresses the communication gap between research and policy community and will provide an opportunity for partnerships and knowledge sharing with local research institutions to build their evaluation capacity and leverage their expertise.

Participants mentioned the time lag of impact evaluations and the neutrality of evaluators remain critical concerns for policy makers. More efforts need to be undertaken to translate research into policy recommendations and to increase policy influence.
**MATCHMAKING CONSULTATIONS**

The Abdul Latif Jameel Poverty Action Lab (J-PAL) held matchmaking consultations with the objective of forging partnerships between researchers and potential implementing partners working in labour market programmes for youth in the region. Practitioners received structured guidance from academic experts on how to build evaluation into the design and execution of their specific programmes.

Practitioners presented youth employment programmes implemented in Tunisia, Yemen, United Arab Emirates, Jordan, Saudi Arabia and Iran. Enda Inter-Arabe’s Bidaya product provides young entrepreneurs in Tunisia with a combination of loans, business training, and mentoring to help them overcome barriers to self-employment.\(^1\) SPARK’s Agri-Business Creation Programme in Yemen aims to provide agricultural business development services, expand access to financial services, and strengthen human capital through vocational training, internships and apprenticeship for potential entrepreneurs in strawberry, dates, and honey chains.\(^2\) Al Qasimi’s At-Risk Youth Programme in the United Arab Emirates employs the “Hands on Learning” method and engages at-risk youth in projects such as building a boat or doing carpentry.\(^3\)

The We Are Social Leaders Programme by INJAZ encourages university and college students in Jordan to design and implement social enterprises in local communities and provides a combination of classroom training on the theories of social enterprise design and management and hands-on learning through implementing their projects.\(^4\) The Abdul Latif Jameel Community Initiatives presented the Bab Rizq Jameel programmes in Saudi Arabia.\(^5\) UNIDO’s project in Iran aims to strengthen micro- and small enterprises in the footwear sector in Mashhad (Iran) and Herat (Afghanistan) through pro-poor cluster and value chain development practices.\(^6\)

Practitioners and researchers who share similar thematic interests met in roundtable sessions to discuss and identify opportunities for collaboration. The discussion with researchers helped practitioners to better understand impact evaluations and what priorities, challenges, and questions they would need to address before conducting an impact evaluation. Several researchers and practitioners managed to come up with tentative evaluation designs and a timeline for piloting the project and conducting an impact evaluation. Researchers and project representatives from UNIDO’s project in Iran and SPARK’s agri-business creation programme in Yemen agreed tentatively on a RCT design and discussed specific elements of the potential design including level of randomization. Following the Symposium, UNIDO attended the ILO Evaluation Clinic in Bangkok (27-28 March 2014) to strengthen the evaluation design and submitted an application to the ILO Fund for Evaluation which was shortlisted. Before conducting an impact evaluation of the second phase of the programme, SPARK will pilot the first phase of the programme to examine how the agricultural production chain works and monitor the project implementation.

**Project Implementers**
- Fatma Triki, Enda Inter-Arabe
- Nic van der Jagt, SPARK
- Susan Kippels, The Sheikh Saud Saqr Al Qasimi Foundation for Policy Research
- Shadin Hamaideh, INJAZ
- Adnan Seric, UNIDO
- Sarah Mohammad Ghaleb, Abdul Latif Jameel Community Initiatives

**Researchers:**
- Jochen Kluve, Humboldt-Universität zu Berlin and RWI
- Nathan Fiala, German Institute for Economic Research
- Bruno Crépon, ENSAE and Ecole Polytechnique
- Bastien Michel, Aarhus University and TrygFonden’s Centre
- Raj Desai, Georgetown University
- Imran Rasul, University College London
- Neil Rankin, Stellenbosch University
- Jennifer Peck, Massachusetts Institute of Technology
- Adriana Kugler, Georgetown University
- Mongoljin Batsaikhan, Georgetown University
There are problems that are unique to the Middle East and North Africa – there are many problems that are not. Having a good understanding of the theory of the problem tells you when a lesson from one place can be translated to another.

Dean Karlan

An interactive “World Café” provided an opportunity for policy makers, researchers and implementers to comment on the research findings and their applicability in roundtable discussions. Participants discussed the relevance of research findings in their national context, as well as identified potential policy recommendations and their utility at different points in the policy making cycle.

Photo: Hanan Alowain, Ministry of Labour, Saudi Arabia with a group of policy makers and researchers from Tunisia, Palestine and Saudi Arabia.

Globally, policy makers are looking for methods to help them access, interpret and make use of impact evaluations. Lack of programme evaluation in the MENA and the time lag associated with devising new impact evaluations requires policy makers to draw on and interpret studies carried out in other contexts. Theory and data can help to transcend geographical and national boundaries. Understanding the problem as well as mechanisms and reasons why a programme worked in one context will help to verify whether those conditions exist in other contexts. This Theory of Change can assist in making evidence useful for programme development. Many lessons and evidence from around the world can be translated to countries in the region if the evidence is inspired by theory and tested in practice.

Experimentation in the design and implementation of programmes is required to understand what works under different contexts. Tinkering – or subtle variations in the programme design to test nuanced interventions such as delivery mechanisms for cash transfers – provide invaluable evidence about what works and encourage innovation in programme design. Piloting smaller programmes with small changes can be an efficient use of resources before scaling up to national size.

The capacity of both the research and policy community in the MENA region needs to be strengthened to develop and understand impact evaluations. Technical training needs to be provided to build local research capacity and to institutionalize a culture of results measurement. At policy level, a culture of learning through experimentation, innovation and research needs to be stimulated in the region. International organizations such as the ILO are well positioned to act as the link between policy and research community and to facilitate the translation of evidence from research to digestible policy recommendation and action.
PARTICIPANT EVALUATION OF THE SYMPOSIUM

Symposium administration and effectiveness

Ninety-one per cent of respondents rated the symposium overall as good or excellent. Ninety-one per cent rated the preparation of the symposium as good or excellent. When asked about the suitability of the time schedule, achievement of stated objectives and relevance of topics covered, 88 per cent of participants rated them as good or excellent.

Ninety-four per cent of respondents would recommend the Symposium to a colleague or policy maker or researcher or practitioner working on youth employment and entrepreneurship issues. Respondents also included specific recommendations such as the involvement of policy makers in the matchmaking consultations with researchers and implementers and linking the thematic sessions to specific needs of participating policy makers.

Resource people effectiveness

Symposium sessions

Day 1

Day 2

Day 3