

SHORT AND MEDIUM-TERM IMPACTS OF PUBLIC WORKS ON YOUTH IN COTE D'IVOIRE

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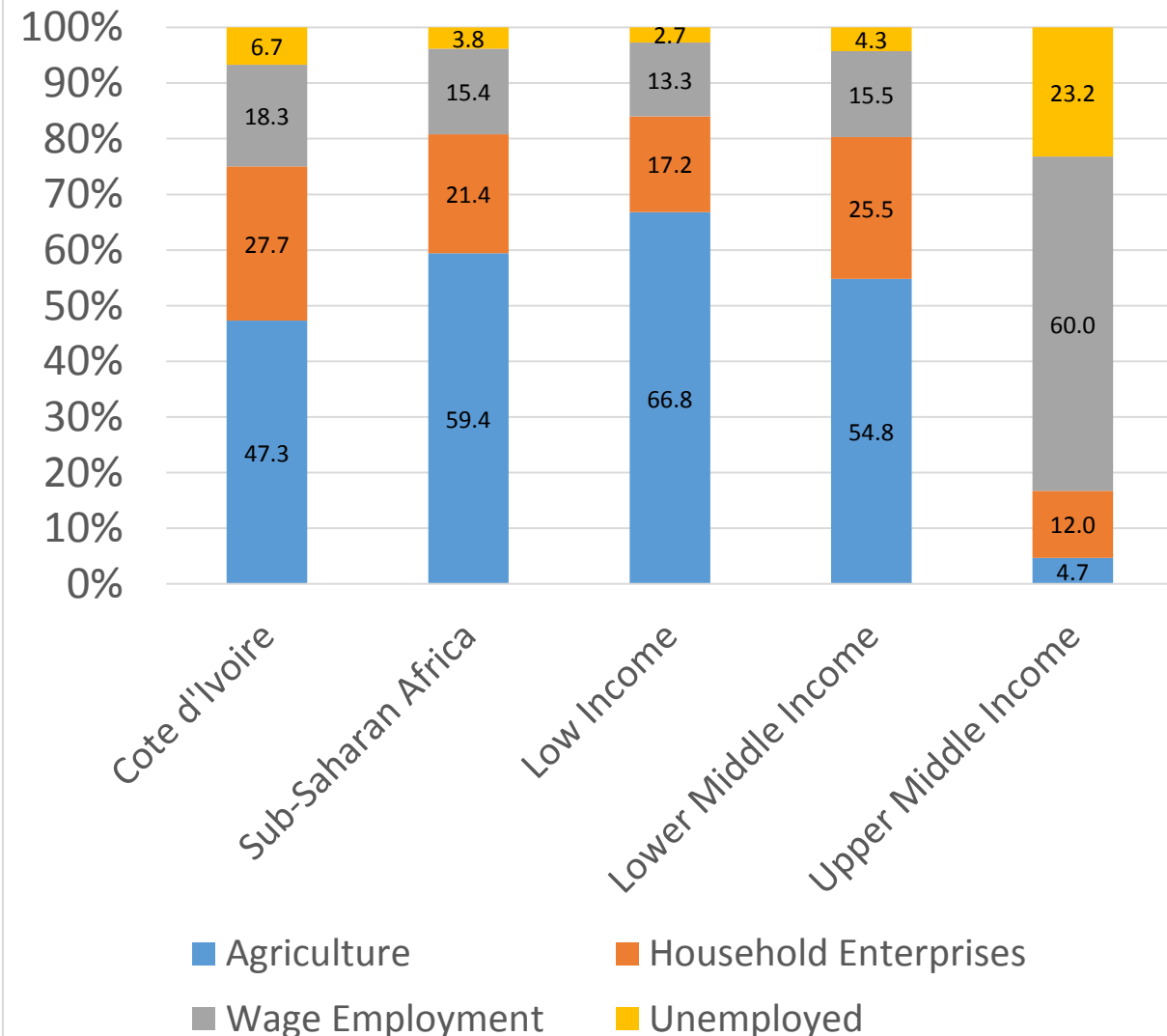
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The Challenge of Quality and Inclusive Employment in Côte d'Ivoire

- Employment challenge in Côte d'Ivoire similar to many countries in Africa
 - Relatively low unemployment
 - But high concentration of employment in agriculture and non-agricultural self-employment
- Slow transformation in the structure of employment
 - Even despite strong growth since the end of crisis in 2011
 - Agriculture and non-agricultural self-employment likely to remain the most common occupations by 2025
- Active dialogue on employment policy:
 - National strategies still tend to focus on number of jobs and unemployment
 - Evolution towards more attention to quality (earnings and productivity) and inclusiveness (poverty angle)
 - WB engagement supported by a range of analytical activities (technical assistance to employment surveys, Jobs Diagnostics, Impact evaluations,...)

Labor-Force Composition across African Countries



PEJEDEC Project Public Works Component

- **Emergency Youth Employment and Skills Development Project (PEJEDEC) was put in place in the context of the post-electoral crisis (in 2011)**
- Project implements a range of interventions (public works, apprenticeship, internships,...)
- In light on lack of data on employment and effectiveness of youth employment programs, 2 impact evaluations were set-up (Public Works, Apprenticeship).
- (Results from Apprenticeship study expected in December)
- **Objective of Public Works Component:**
 - Provide temporary employment opportunities to youths (short-term)
 - Facilitate transition into more productive employment upon exit from the program (medium-term)
 - Contribute to infrastructure/roads rehabilitation



PEJEDEC Public Works

Temporary wage jobs with complementary training

- **Target group and coverage**

- 12,000 Youths (18-30)
- 30% women
- 16 localities throughout Cote d'Ivoire (urban areas)

- **Main Public Works Benefits**

- **Temporary income of 2,500 FCFA per day for 6 months (~US\$ 4.5/day)**
 - Transfer level set at minimum official daily wage
 - Paid on bank accounts
- Youths work on road maintenance ('brigade' of 25 youths)

- **Complementary training** to facilitate transition out of the program:

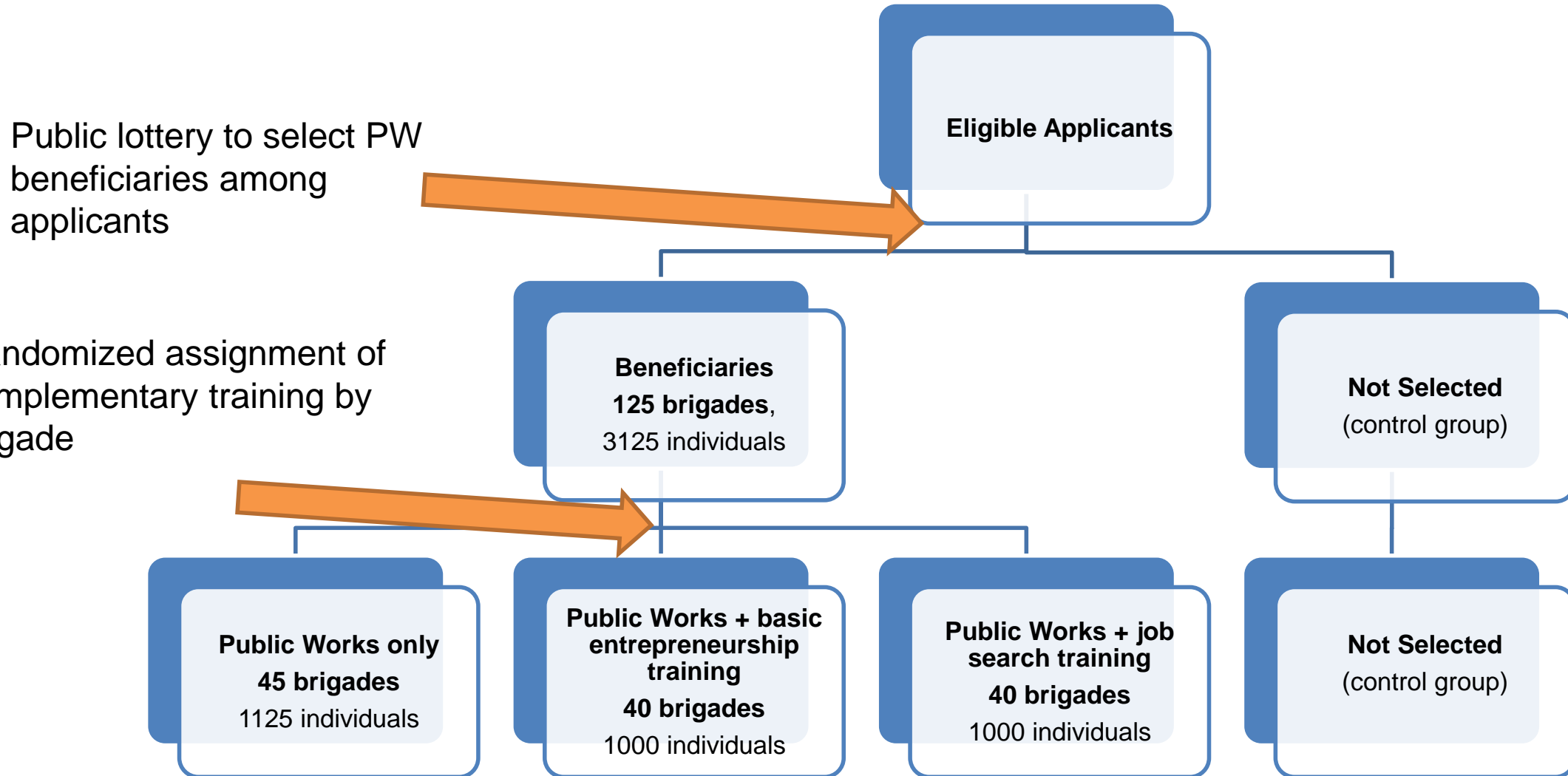
- **Basic entrepreneurship/self-employment training** (~100h)
- **Training on jobs search** and sensitization on **wage employment** opportunities (~ 80h)

Key Questions on Effectiveness of Public Works for Youth

- **In the short-term...**
 - By how much do public works increase employment and earnings for youth?
 - Do public works affect youths' psychological well-being and behaviors?
- **In the medium-term...**
 - Do public works facilitate transition towards more productive employment, including last gains on earnings after exit from the program?
 - Do complementary training options provide value-added? Do they facilitate transition into more productive activities?
- **Profile of youths who benefit most from the program...**
 - Are youths who benefit the most in the short-term the same as those who benefit the most in the medium-term?

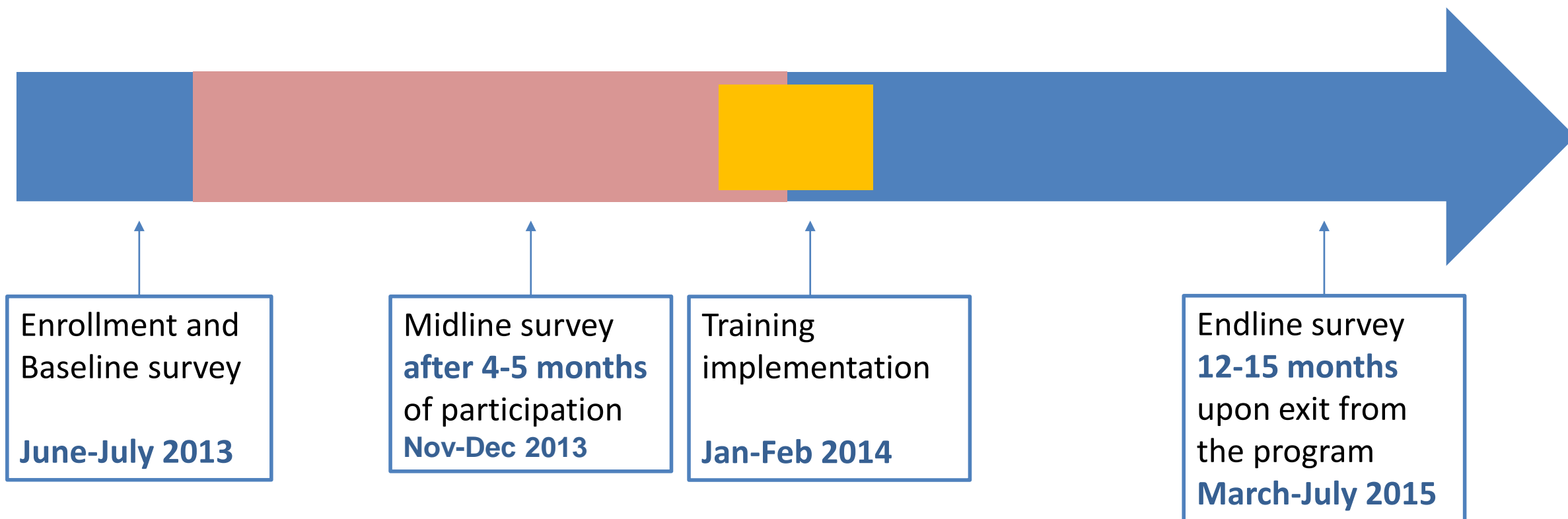
Impact Evaluation Methodology:

Randomized Assignment to Public Works and Complementary Training



Timeline

3 large-scale surveys among treatment and control groups



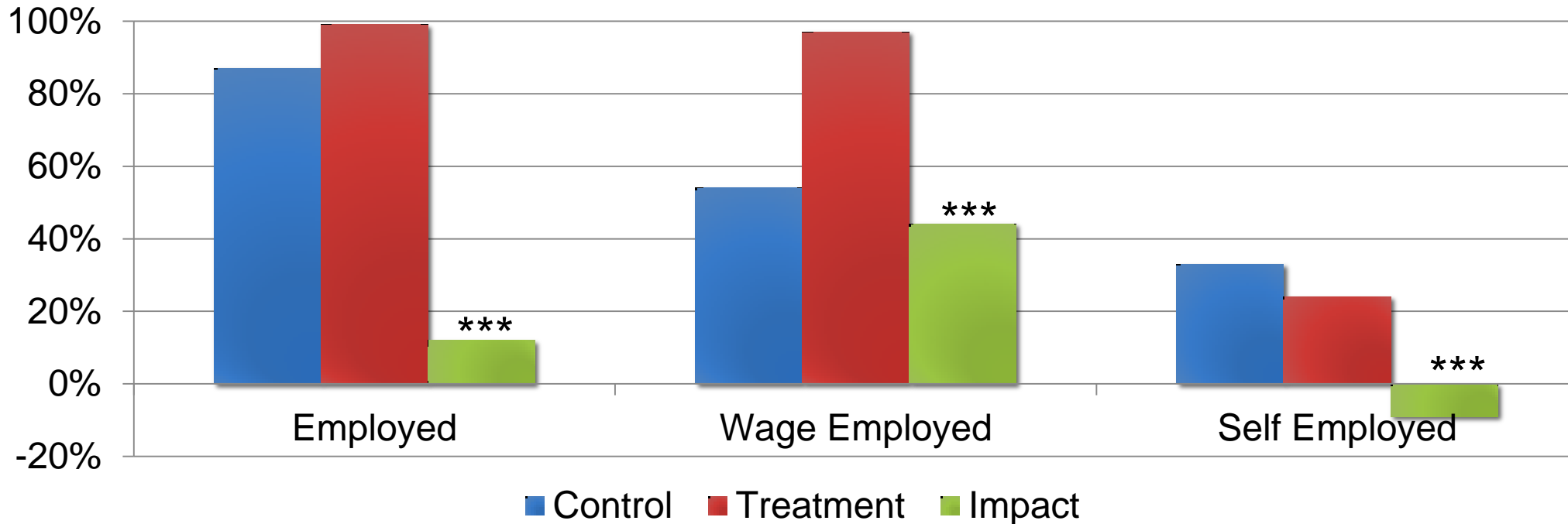
Successful implementation of large-scale impact evaluation

- **Impact evaluation embedded in government-run program**
- **Excellent collaboration across institutions**
 - BCP-Emploi, AGEROUTE, World Bank, International Researchers, ENSEA
- **Quality implementation of public works by AGEROUTE**
 - Implementing agency (AGEROUTE) has experience (including from past projects)
 - High take-up rates for public works and complementary training
- **Strong internal validity**
 - Randomized assignment produces well-balanced treatment and control groups
 - Very high tracking and response rates for various surveys

In the short-term...
(4-5 months after the start of the program)

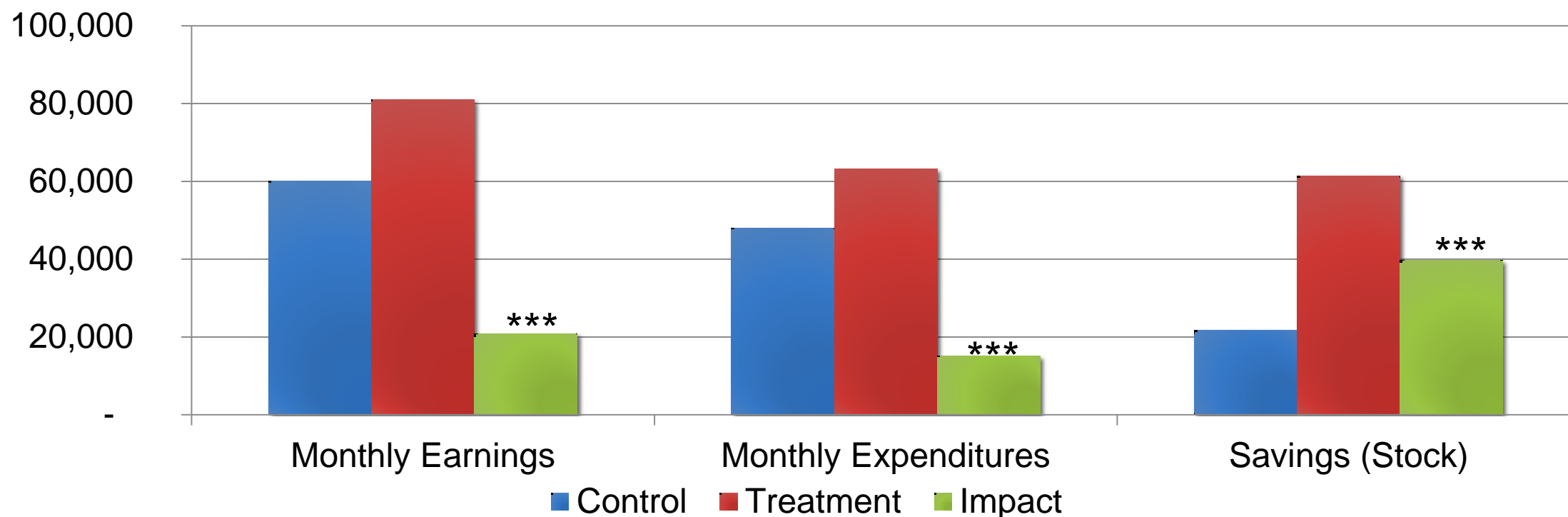


In the short-term, little increase in overall employment... but strong shift into wage employment



- **Small impact on overall employment level** (from 87% to 99%, +12 pp)
 - Only small reduction of unemployment or inactivity
- Strong impact on **wage employment** (from 53% à 97%, +44 pp)
- Small decrease in self-employment and other types of employment (-9 pp)

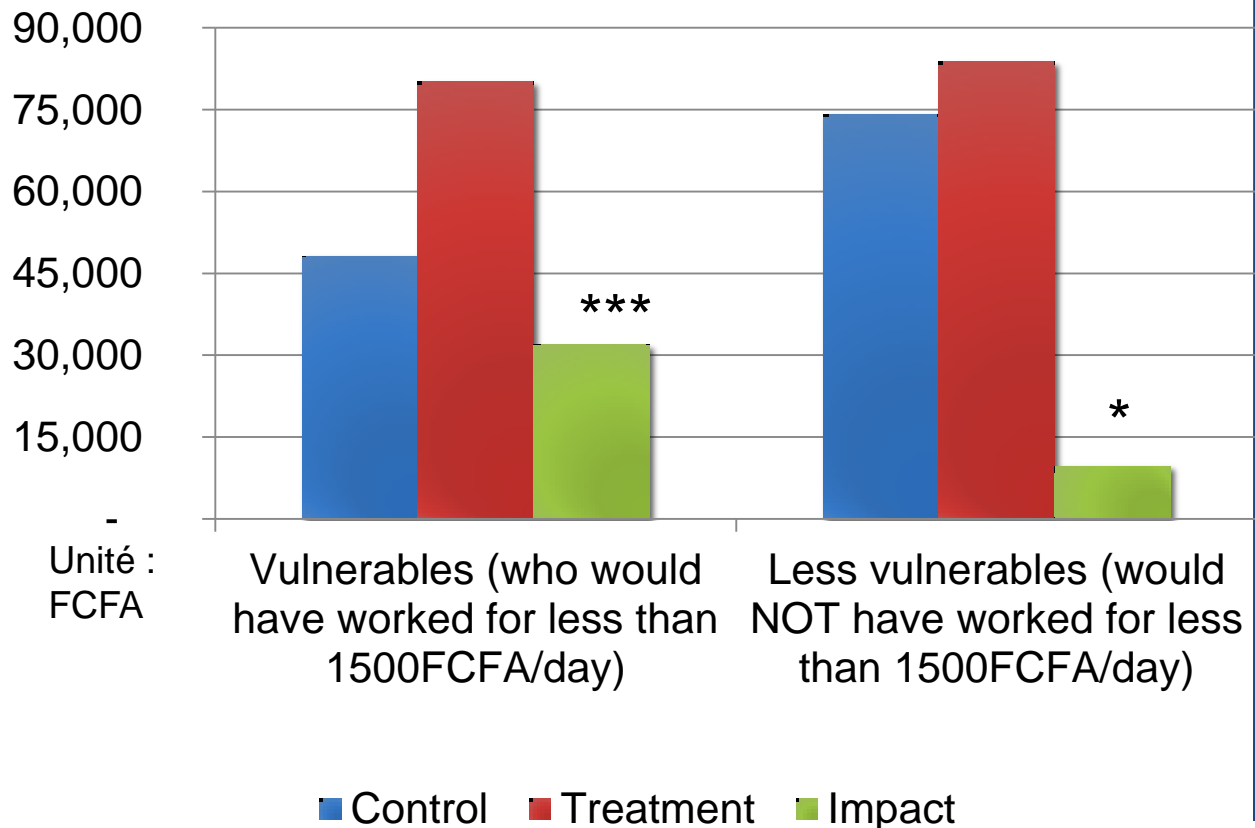
In the short-term, significant increase in earnings... but by less than the transfer amount



- Total monthly earnings increase from 60,000 FCFA to 81,000 FCFA (+21,000FCFA)
- **Earnings gain as a ratio of average transfers $21,000/50,000 = 42\%$**
- Earnings gains contribute to **higher expenditures** (~+15,000/month) and **higher savings** (~+9,000/month)

Earnings increase much more for the vulnerable ...

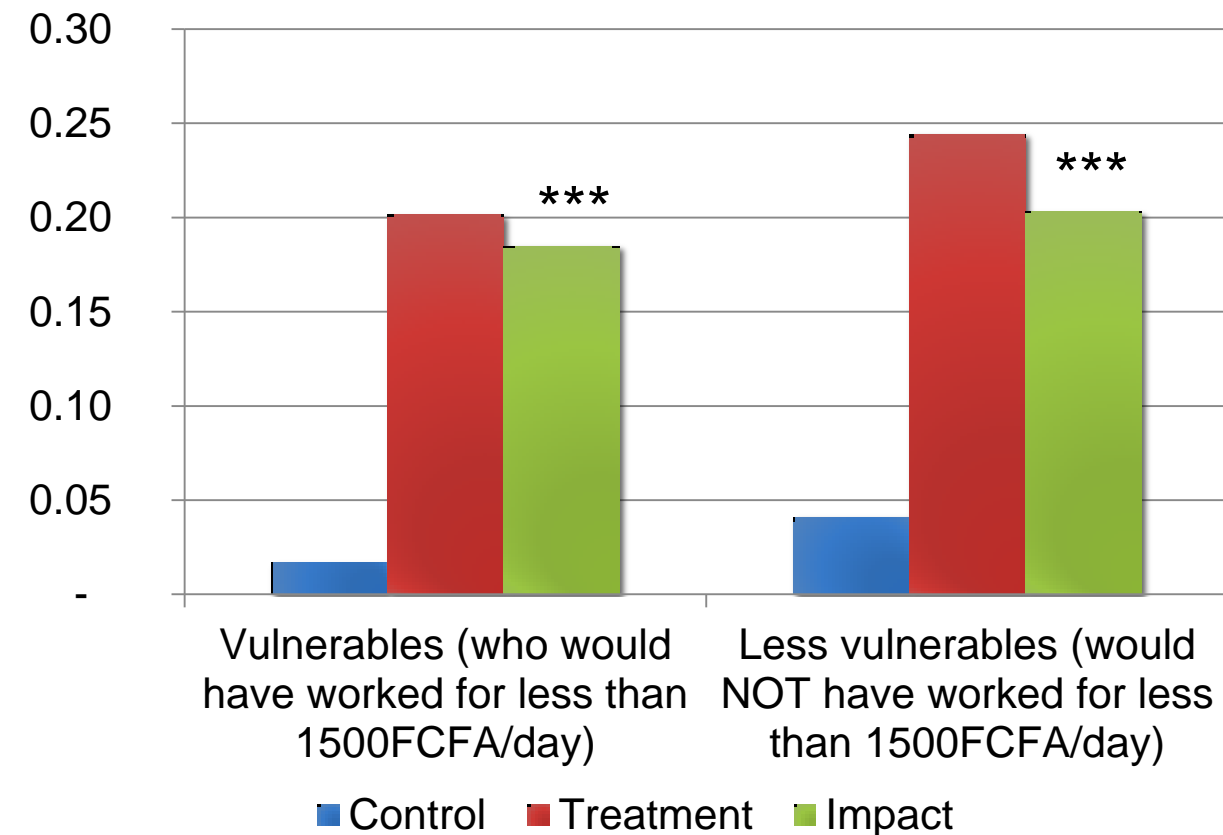
Impacts on Monthly Earnings



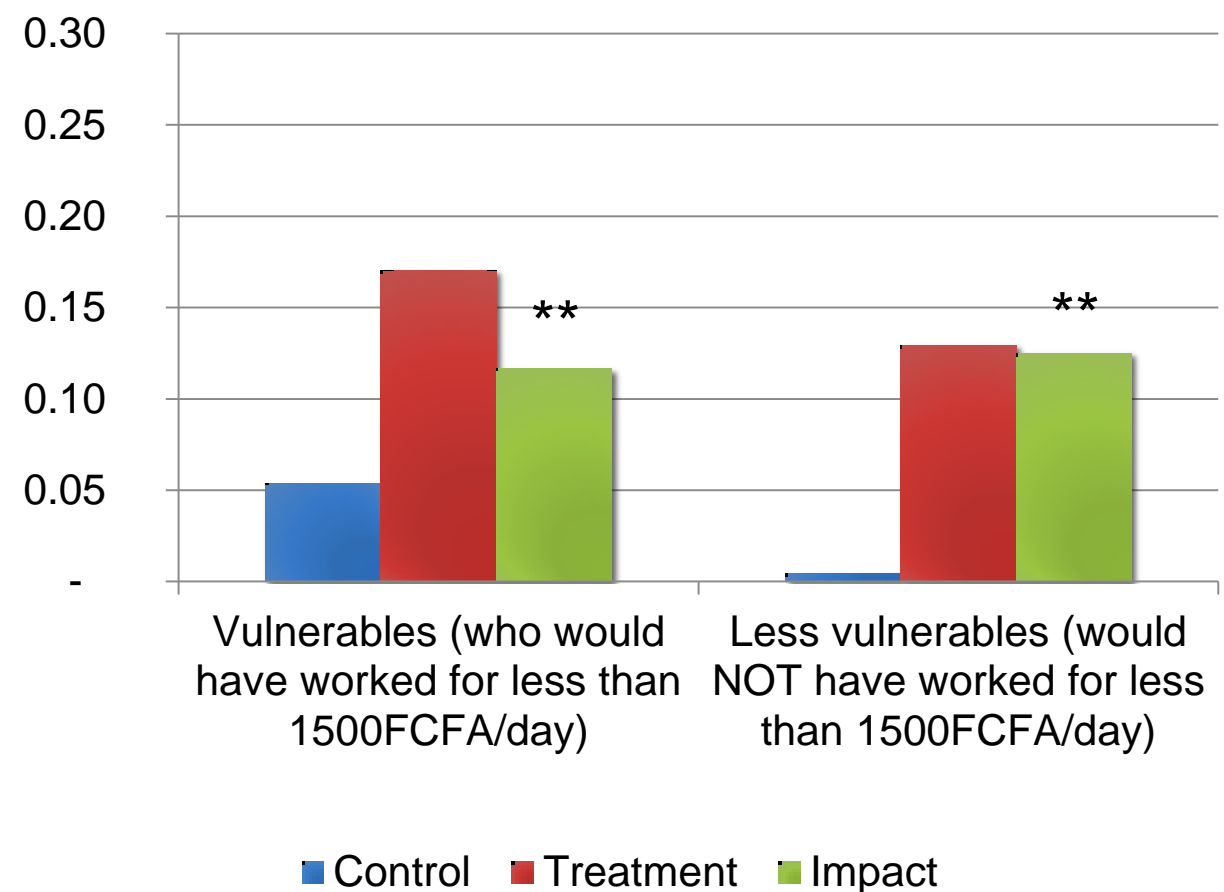
- In the short-term, **impacts on earnings are concentrated on the more « vulnerable »** :
 - Impacts three times larger on those who would be willing to work for less than 1500 FCFA /day (instead of 2500 FCFA/day)
 - Earnings increase by 67% for them
- **Also much stronger impact on women compared to men:**
 - Earnings impact are 2,8 times stronger for women
 - Earnings increase by 76% for them

Both the vulnerable and less vulnerable benefit in terms of psychological well-being and behaviors

Impacts on psychological well-being



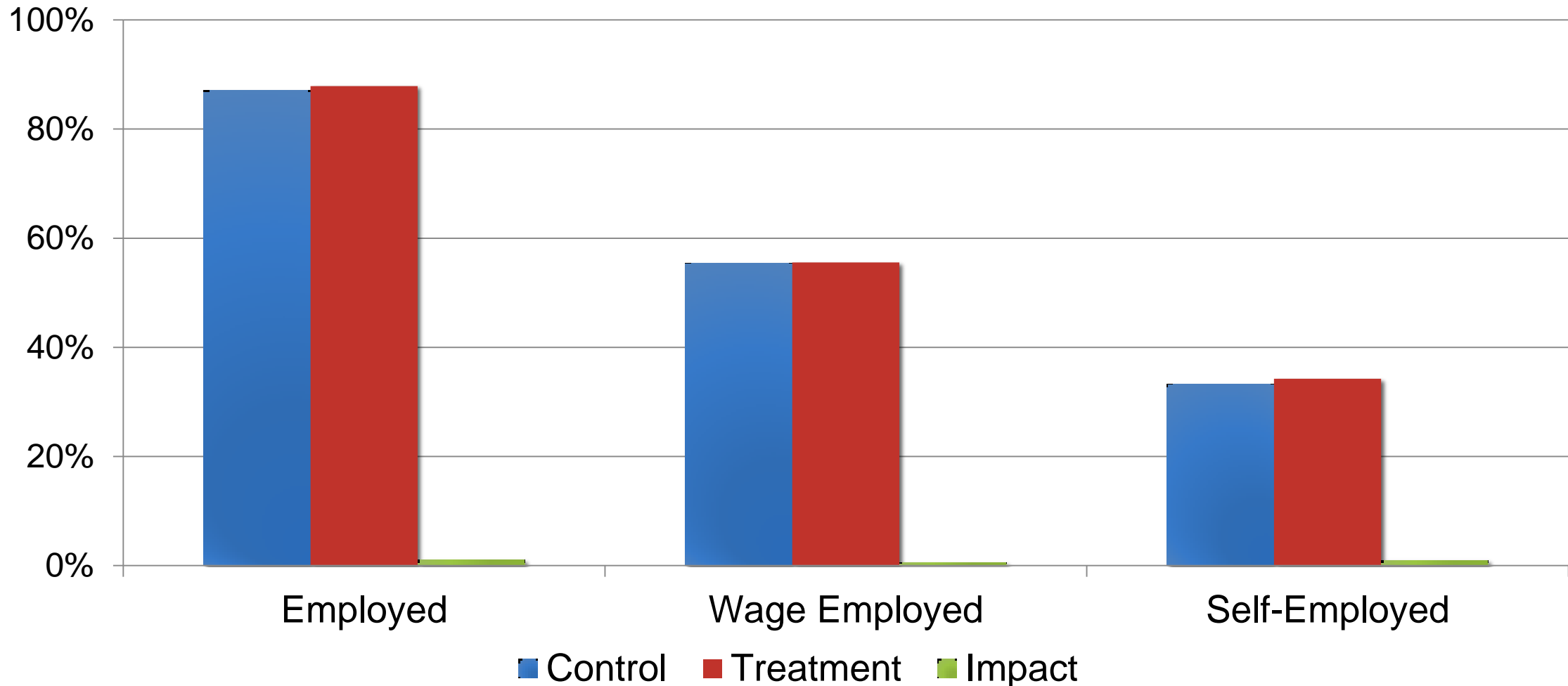
Impacts on behaviors



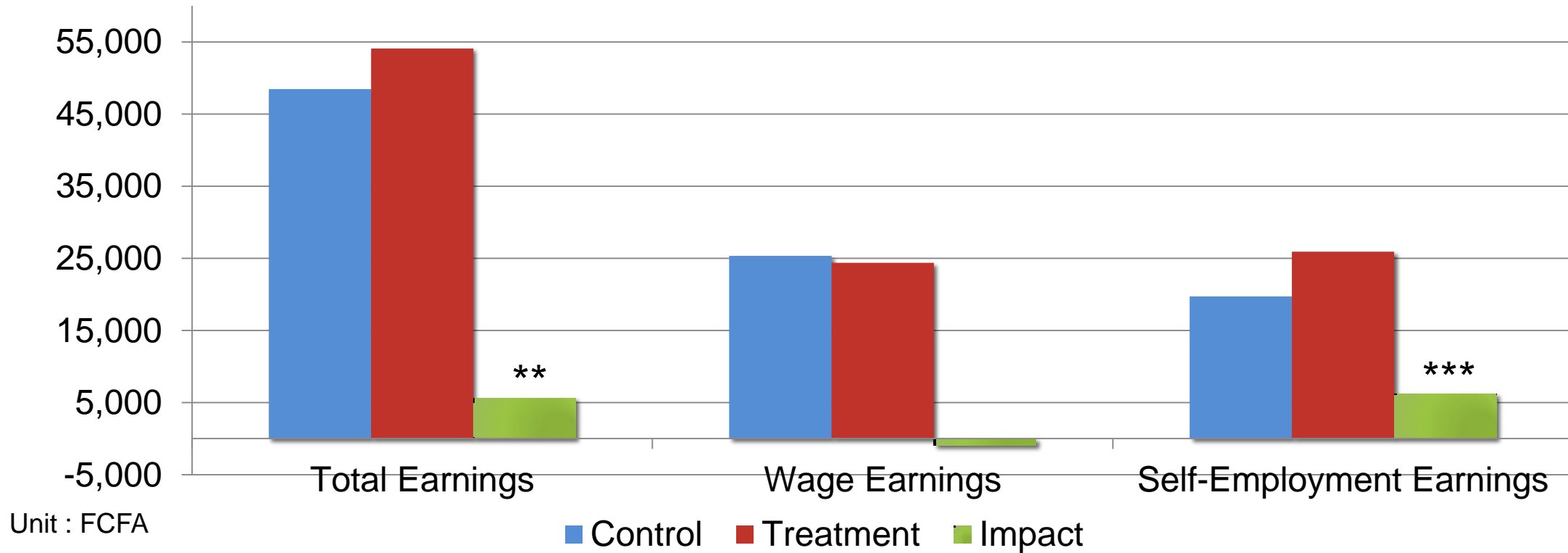
In the medium-term... (12-15 months after exit from the program)



15 months after the end of the program, there are no sustained impacts on the level or composition of employment among youths



But medium-term impacts on earnings are observed. They are mostly driven by increases in earnings in self-employment

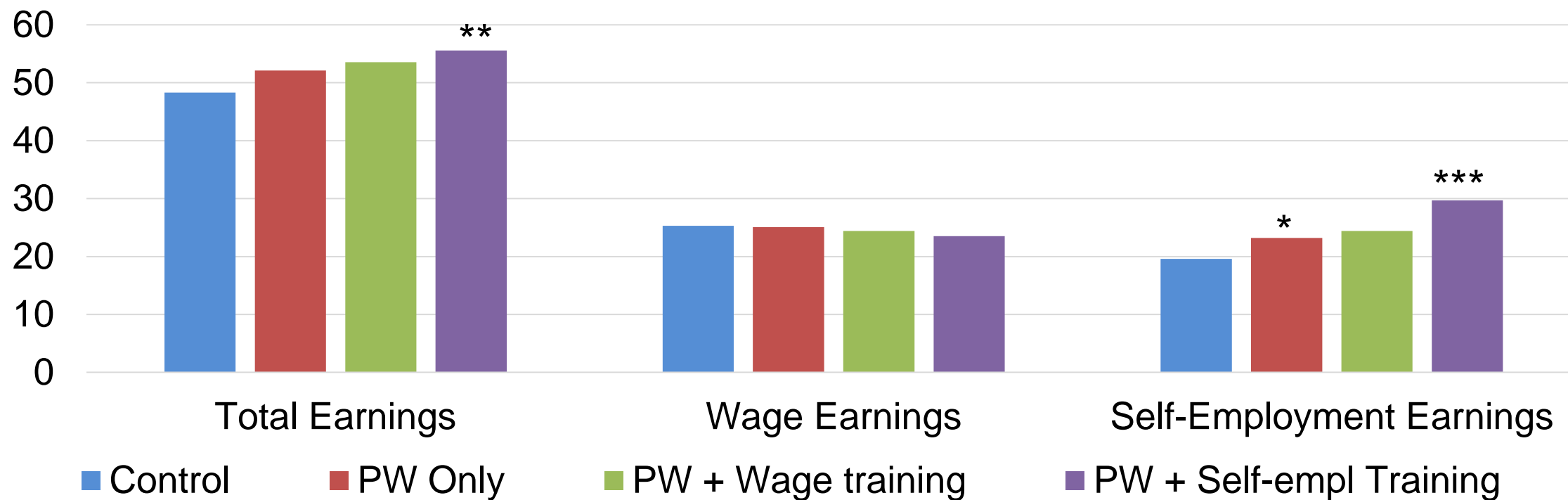


Significant increase in **total earnings**: **+5,600 FCFA** per month, or **12%**

Significant and substantial increase in **self employment earnings**: **+6,200 FCFA**, or **32%**

Youths are engaged in more productive self-employment activities

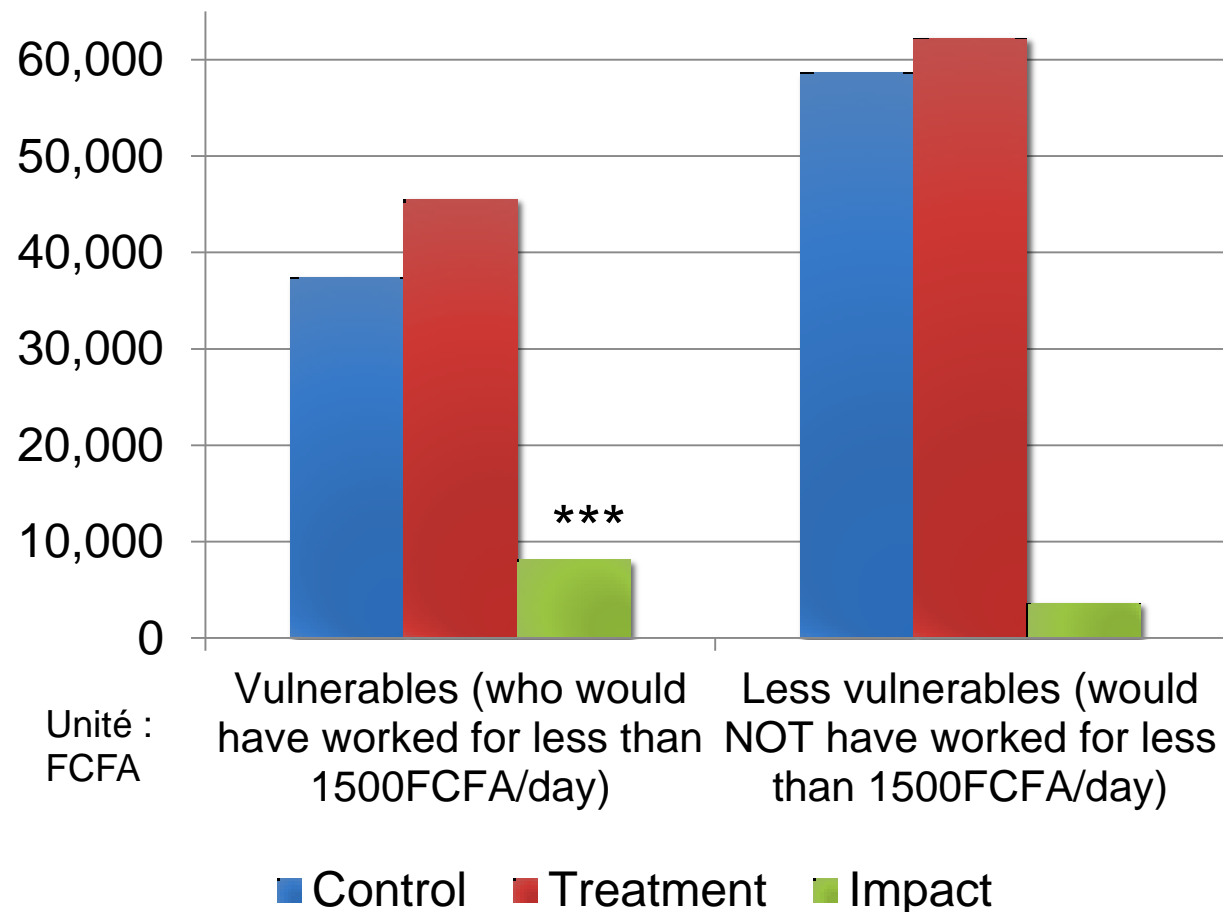
Increases in earnings come mostly from the group who participated in public works and self-employment training...



Unit : 000 FCFA

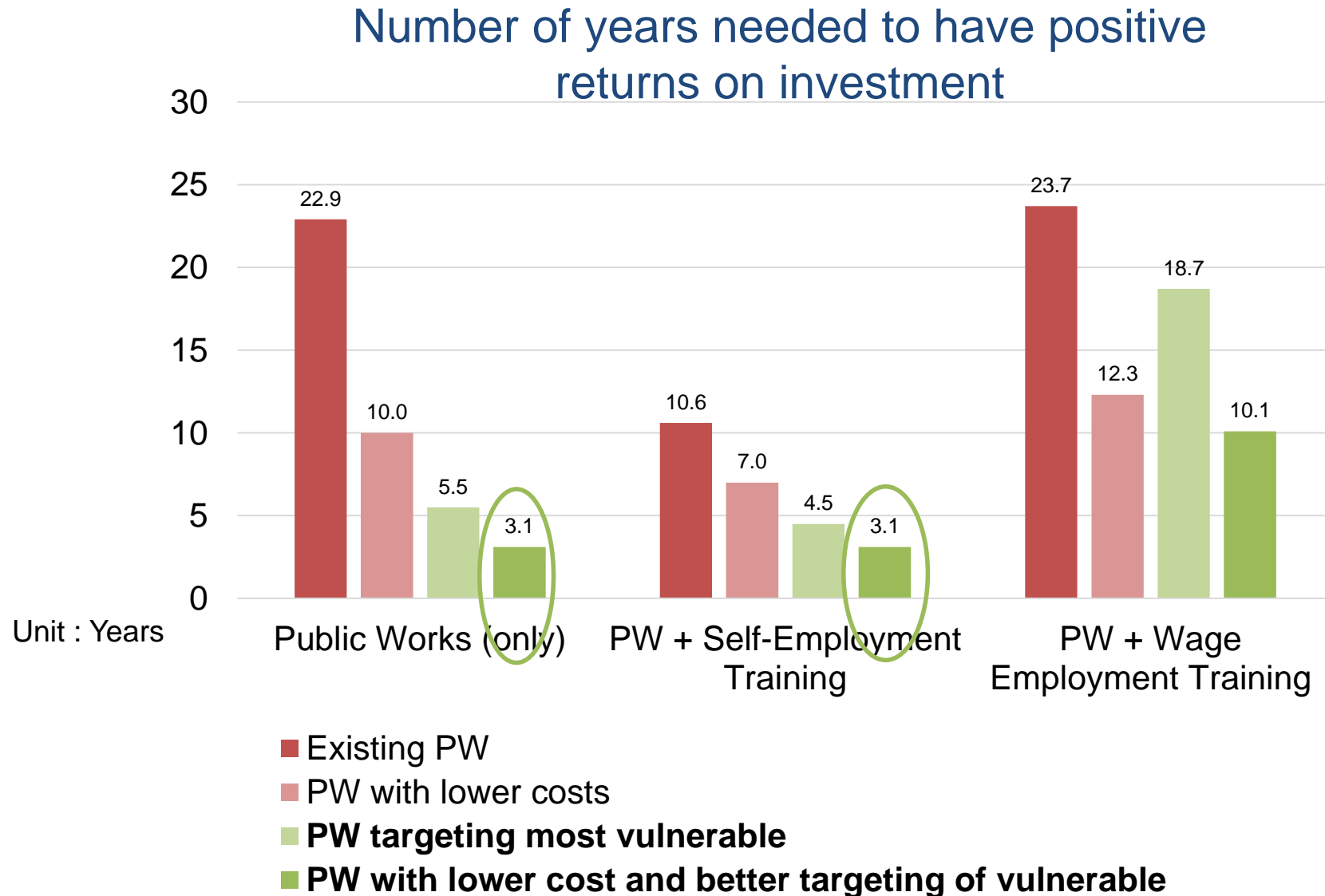
The most vulnerable who gain most in economic terms in the short-term also benefit the most in the medium-term...

Impacts on earnings



- **Impact on earnings is sustained in the medium-term only for the most vulnerable:**
 - Significant and substantial impact: + 20%
 - Driven by a strong impact on earnings in self-employment activities (+57%)
- **Medium-term impacts are also concentrated on women:**
 - Significant impact in the medium-term for women (+21%) but not for men

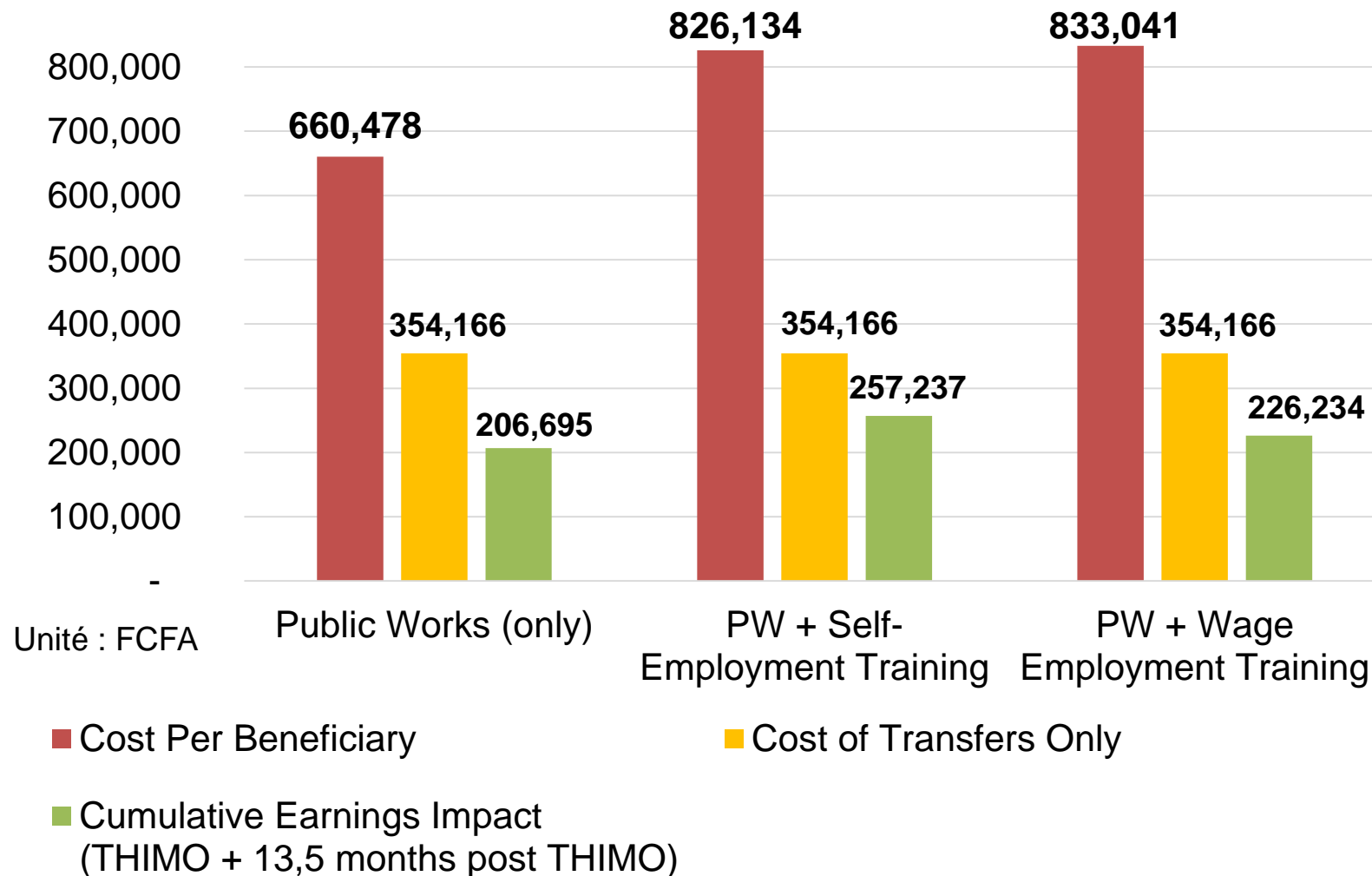
A program that would target only the most vulnerable and reduce costs outside transfers would become much more cost-effective



- For how long would impacts need to last for monetary benefits to offset costs?
- Program would break even after 3 years with (i) improved targeting towards the vulnerable and (ii) reduction of costs outside transfers.
- The option of combining public works and self-employment training is relatively more cost-effective, along with public works only.

Cost-Effectiveness Analysis

(Direct Monetary Costs and Benefits from Program)



- Transfers amount to 45% of cost per beneficiary
- **Low cost-effectiveness ratio:**
 - Combining public works and wage employment training is the least cost-effective option
 - Combining public works and self-employment training is slightly more cost-effective

Implications (1)

- **Impact Evaluation results provide an opportunity to clarify the strategic role of public works instruments in employment and social protection policies**
 - For Cote d'Ivoire, but also other countries with similar employment profile
- Public Works have limited role for employment policy if the objective is mostly to reduce unemployment or increase the level of employment.
- But effects on quality and composition of employment are observed in the short-term:
 - Public Works would contribute to a broader objective of employment policy to improve employment quality
- Public works has dimension of safety nets (particularly if targeted to most vulnerable)
 - Questions remain on relative efficiency of public works and cash transfers

Implications (2)

- **Combining better targeting towards the vulnerable and women, as well as reduction of costs outside transfers would make the program much more cost-effective**
 - **Setting the transfer levels at official minimum wage is not sufficient to attract the most vulnerable**
 - A large share of the population earn less than the minimum wage.
 - **Potential options to improve targeting** (not mutually exclusive)
 - Lower transfer amounts to improve self-targeting
 - Target the poor and vulnerable through targeting approaches used in other social programs (such as Proxy-Means Test)
 - Implement finer geographical targeting towards most vulnerable and poorest regions (including away from main urban centers)
 - Clear research agenda on how best to improve targeting for public works
 - Also including broader question of relative efficiency of public works and cash transfers

Implications (3)

- **If public works keep their objective to facilitate transition into more productive employment upon exit from the program, strengthening pathways towards self-employment appear more promising.**
 - Jobs search training not effective.
 - Some impacts from groups receiving public works and self-employment training, in particular strong increase in earnings and self-employment earnings.
 - Suggest strengthening mechanisms to address other constraints for more productive self-employment could be explored (savings, matching grants, access to work space,...)
- However, it is not clear that public works are the best instrument to facilitate transitions towards more productive employment
 - Measures to improve productivity in self-employment can also be implemented independently from public works.
 - Would be interesting to test the effectiveness of such measures with and without public works.

Thanks!

