

Rigorous evidence on skills for better jobs: Recent insights from Africa

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based on joint work of the Reussité-Team

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Introduction

- Team provides research support to BMZ since 2019
- Inter alia via **Rigorous Impact Evaluations (RIE)** of selected skills training and enterprise support programs, one component of the SI
- Rigorous = Quantitative (experimental and quasi-experimental) evaluation approaches that use a comparable control group to causally prove or "attribute" the effects of an intervention
- 3 impact evaluations
 - Two skills training interventions (N4G and ProfArts) in Ghana
 - Enterprise support programme: PAP-PME in Côte d'Ivoire
- **Randomised experiments** to measure the effects on employment, wages/income, working conditions, job satisfaction/mental health

Previous evidence

- Effectiveness of training programmes in developing and emerging countries varies greatly (e.g. Beber et al., 2020, Kluve et al., 2019)
- Many programmes effectively transfer skills and enable certification, **but ... positive effects on income and employment only for around 1/3 or half** of the programmes
- Programme effects over time
 - No improvements in employment probability and income directly after the programme
 - Some positive effects in the medium term
 - Some studies find the reverse with effects fading over time
- Similarly: Ambiguous evidence on the effects of entrepreneurship programmes
 - Higher probability to establish a business
 - Mixed successes on productivity, profit, employment etc.
- What makes an effective programme?
 - **Combination of theoretical and practical skills**, strong focus on private sector requirements
 - **Multi-pronged programmes** perform better, esp. when they address target-group-specific constraints
 - Intensity, duration and quality of implementation

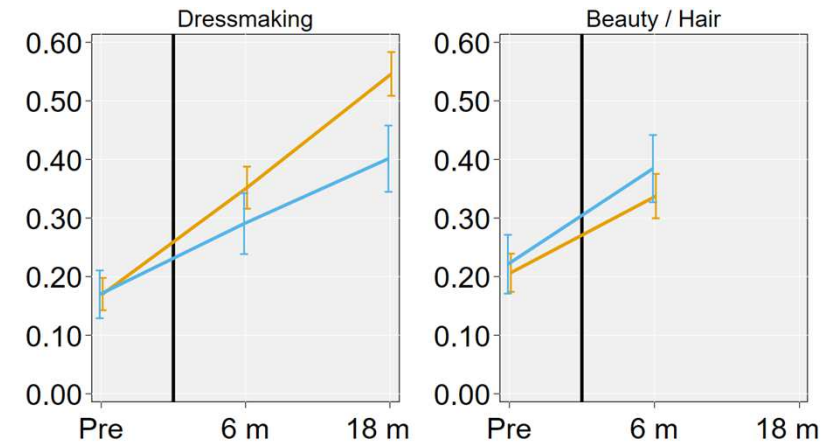
Our impact evaluations

- Address some important knowledge gaps
 - Limited evidence on/from SSA
 - Effects on employment quality not investigated
- Some technical and implementation characteristics of our RIEs
 - Baseline data collected from interested individuals/firms as part of the registration process (N≈1300 for N4G, N≈3600 for ProfArts, N≈500 for PAP-PME)
 - Respondents **randomly divided into treatment group and a control group**, with treatment group invited to participate in the programme
 - Treatment and control are balanced, there is attrition, but not a major problem
 - Approximately **six months** after completion of the programme, both groups were interviewed again to assess their status and situation after the programme
 - Follow-up survey **18 months after completion** of programme (not for all individuals/firms)

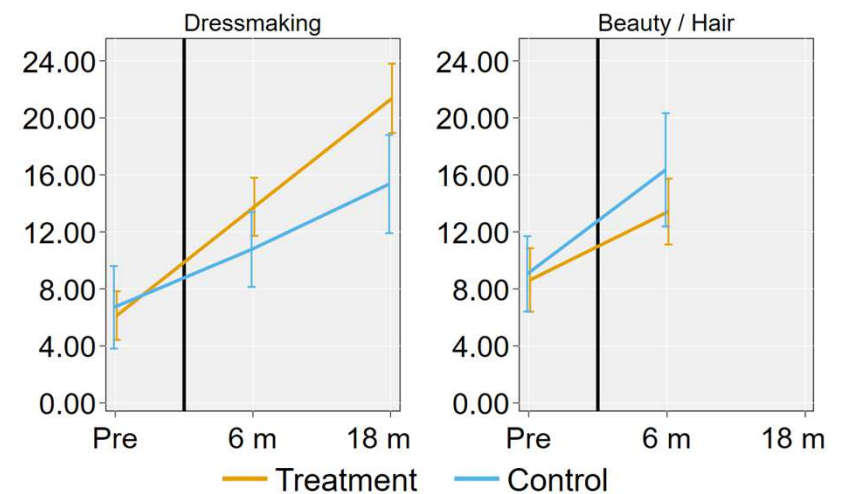
Selected results, N4G

- Best-practice skills training
 - 6M dressmaking, 2M Cosmetics & Hairdressing
 - Structured training in established companies for specialised staff
 - Technical, entrepreneurial & social skills
 - Employment offer for at least 70%
- Effects
 - Higher share of paid employment in the clothing sector (~15% points after 18M), not in cosmetics/hairdressing
 - Higher probability of employment in the respective sector
 - Higher income (+USD6, after 18M) in the dressmaking sector, not significant in cosmetics/hairdressing
 - More income through additional work and higher wages
- Lessons learnt
 - Results show the need for control groups to measure impacts
 - Low-intensity training is not very effective
 - Employment offer/guarantee not practicable, but impacts in dressmaking even without guarantee

Paid employment, %



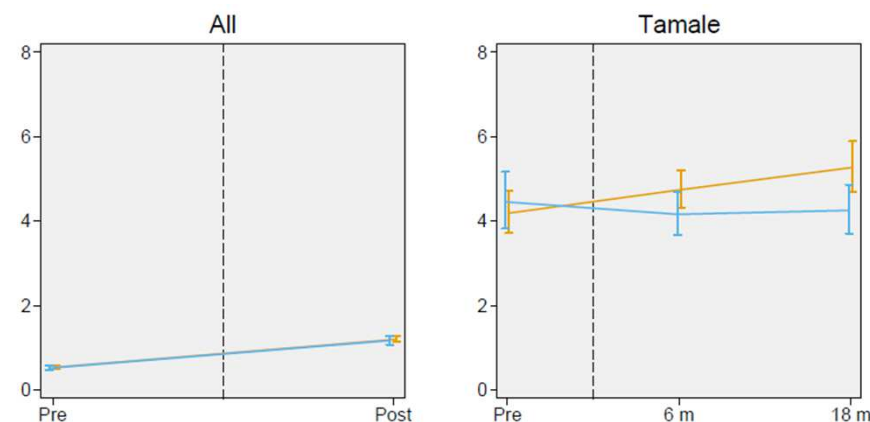
Total income, in USD



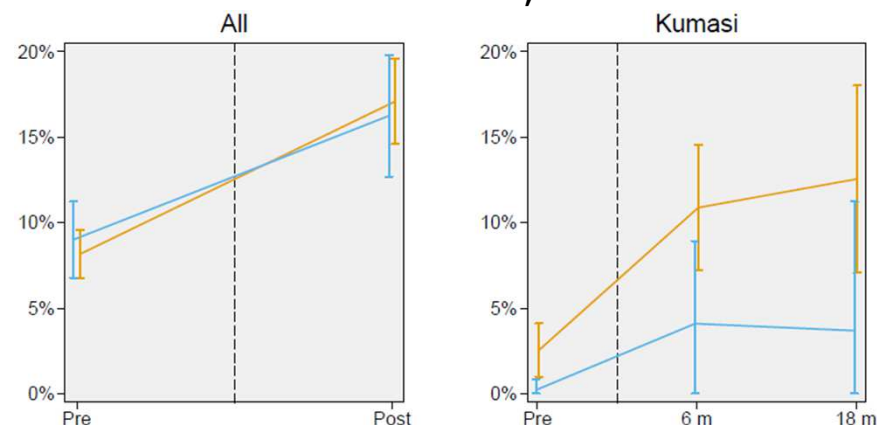
Selected results, ProfArts

- State-of-the-art craft skills training program (private sector involvement) in multiple sites in Ghana (3 M, 6 providers)
- Effects
 - No sig. employment effects (also type of employment)
 - Exception: # of employees in Tamale, long-term 1 employee more on average = 250 employees for participating artisans
 - No long-term sig. income effects
 - No sig. effects on proportion of artisans with written contracts, except in Kumasi (plus ~10 percentage points)
 - Other positive effects on the quality of work in Kumasi
- Lessons learnt
 - General: Only moderate, often no effect on employment, wages and working conditions
 - Contrast with high expected effects
 - Context-specific effects: Positive employment effect in the poorer north (and in larger companies), in richer Kumasi rather "better jobs"

Number of employees

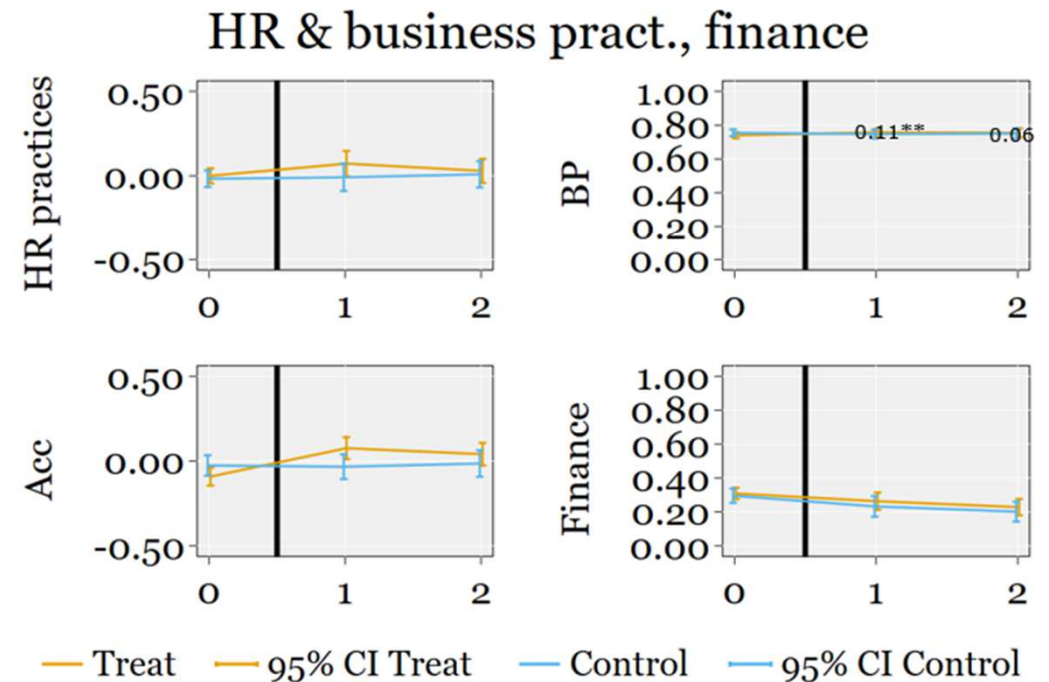
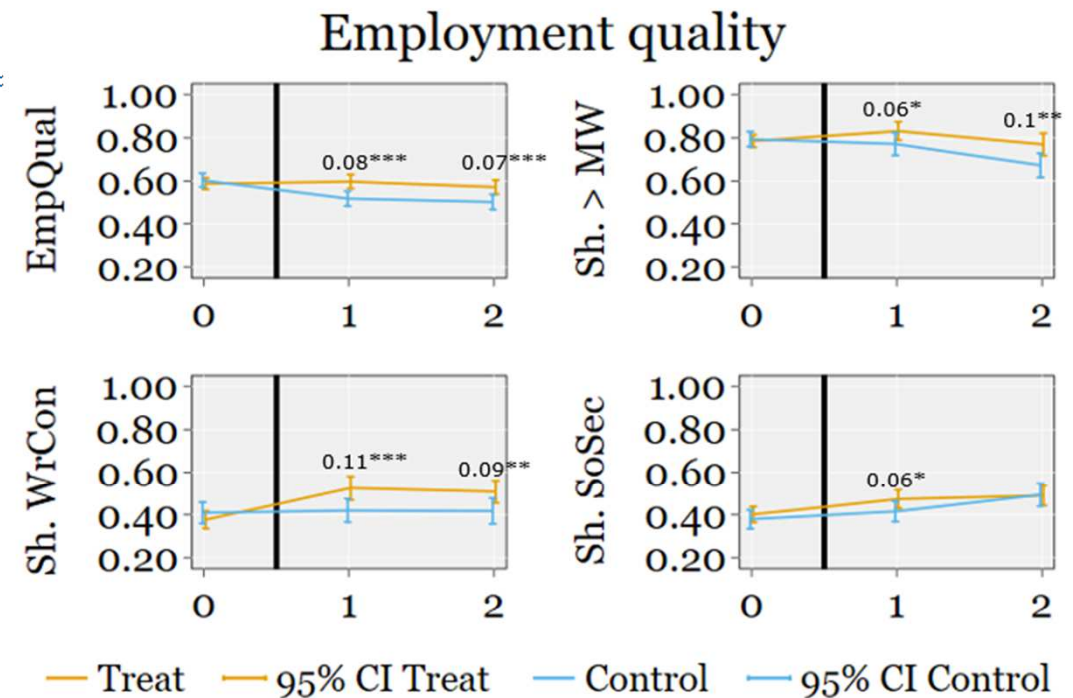


Employed artisans with written contracts, %



Selected results, PAP-PME

- Light touch consultancy intervention of SMEs with focus on financial and HR management (incl. on social security and minimum wage compliance)
- 4.9 hours of 1:1 support, 1.9 visits (MSMEs)
- Effects
 - Positive, sig., and sizeable effects on employment quality, e.g. 10 pp. more workers with w>MW
 - No significant improvement of HR practices index
 - Sig. improvements in some accounting practices
 - No improvements in financial management, improved access to finance for a small subset of firms
 - No observable effect on job creation
- Lessons learnt
 - Even light-touch Intervention with an HR focus can have positive effects on employment quality
 - Lack of business practice effects likely due to low intensity



Conclusions I: What can we learn from the RIEs about the effectiveness of training programmes? What works?

- Programmes with too **little intensity** generally show **hardly any effects** (exception: PAP-PME in CIV, positive effects on working conditions)
- **"Creating jobs" through training is difficult**, but "improving jobs"
- Effects in "informal markets" (crafts, cosmetics) difficult to achieve
- Effects and impact channels very context- and measure-specific
- **High expectations** of effectiveness contradict (not only our) evidence, confirmed by "expectation surveys" among implementers who tend to ...
 - Underestimate improvements in control group (when relevant, as in N4G)
 - (Grossly) Overestimate programme effects
 - Update their beliefs only slowly when confronted with evidence

Conclusions II: How can we **learn with RIEs** and use rigorous evidence and integrate it into our programmes/measures?

- Rigorous methods/**control groups are essential** for measuring the effects of active labour market policies in particular
- Existing evidence should already play a more important role in the design of measures (and portfolios)
- RIEs are to be understood as part of M&E and above all as a **tool for learning**, not primarily for accountability
- RIEs are costly and should be used **strategically**, especially for measures whose effects and impact channels are not well known
- It needs: (a) Openness to quant. methods & collaboration, (b) willingness to question own knowledge/experience, (c) culture of criticism and error, (d) resources

Thank you ... and references

- Beber, B., Dworschak, R., Lakemann, T., Lay, J., & Priebe, J. (2020). Skills development and training interventions in Africa: Findings, challenges, and opportunities. <https://www.econstor.eu/bitstream/10419/247426/1/1780809166.pdf>
- Kluve, J., Puerto, S., Robalino, D., Romero, J. M., Rother, F., Stöterau, J., Weidenkaff, F., & Witte, M. (2019). Do youth employment programs improve labor market outcomes? A quantitative review. *World Development*, 114, 237–253. <https://doi.org/10.1016/j.worlddev.2018.10.004>
- Rigorous Impact Evaluation in the RéUsSITE Project: <https://www.giga-hamburg.de/en/research-and-transfer/projects/rigorous-impact-evaluation-in-the-reussite-project>