The Impact of Vocational and Life Skills Training on Disadvantaged Youth:

Evidence from the Dominican Republic “Juventud y Empleo”

Bibiana Taboada
Office of Strategic Planning and Development Effectiveness
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What did we want to know about the youth training program?

Can it improve youth employability?

Through which channels?

Employment
Formality
Earnings

Cognitive skills
Non-cognitive skills
Behaviors
Perceptions and expectations

Should we continue implementing this type of programs? If so, how can we improve them?
How did we set up the learning process?

Randomized design was incorporated to the program since the beginning...

For this evaluation individuals were randomly assigned into two groups:

- **Treatment**
  - Per course: 20
  - In the program: 5,914
  - In the evaluation: 3,250

- **Control**
  - Per course: 15
  - In the program: 4,395
  - In the evaluation: 1,750
What is the “Juventud y Empleo” program exactly about?

1. Training program that combines...

   - Classroom training
   - Vocational
   - Life skills
   - Internship period

2. Targeted at youth...

   - 16-29 years old
   - Incomplete high school
   - Not studying or working
   - Hold ID card

3. Works closely with private sector for...

   - Identifying needs of local employers
   - Providing training sessions
   - Offering internships
And was there something special about youth employment in the Dominican Republic?

Not really…

- Big challenge, but not more than in other countries.
- 34% of youth aged 18-29 not working nor studying.
- Youth unemployment = 2.3 * Adult unemployment.
- Youth informality = 2 * Adult informality.

Eligible youth at baseline…

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>22 years old</td>
</tr>
<tr>
<td>Gender</td>
<td>60% females</td>
</tr>
<tr>
<td>Education</td>
<td>85% with incomplete high school or less</td>
</tr>
<tr>
<td>Work experience</td>
<td>20% with prior work experience</td>
</tr>
<tr>
<td>Unemployed</td>
<td>50% unemployed</td>
</tr>
<tr>
<td>Location</td>
<td>90% in urban areas; 35% in Santo Domingo</td>
</tr>
</tbody>
</table>
So, was the program effective in improving youth employability?

Follow up survey 18-24 months after graduation…

**Employed**

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>63%</td>
<td>61%</td>
<td></td>
</tr>
</tbody>
</table>

No statistically significant impact on overall employment

**Employed with Written Contract**

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>12%*</td>
<td>17%**</td>
</tr>
<tr>
<td>Employed with Written Contract</td>
<td>14%*</td>
<td>21%**</td>
</tr>
</tbody>
</table>

**Employed with Health Insurance**

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>24%*</td>
<td>21%**</td>
</tr>
<tr>
<td>Employed with Health Insurance</td>
<td>28%*</td>
<td>31%**</td>
</tr>
</tbody>
</table>

**Earnings among those Employed (Ln Earnings)**

<table>
<thead>
<tr>
<th></th>
<th>Men SD</th>
<th>SD</th>
<th>Women</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22%*</td>
<td>17%**</td>
<td>14%**</td>
<td>9%**</td>
</tr>
</tbody>
</table>

Statistically significant impacts on formality and earnings
Through which channels did this happen?

Increasing some desirable behaviors…. And decreasing others less so….

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hrs Seeking for a Job</td>
<td>10%**</td>
<td>17%**</td>
</tr>
<tr>
<td></td>
<td>12%**</td>
<td>21%**</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pregnancy</td>
<td>8%**</td>
<td>12%*</td>
</tr>
<tr>
<td></td>
<td>6%**</td>
<td>7%*</td>
</tr>
</tbody>
</table>

Changing expectations about the future… And improving non-cognitive skills…

- Good health
- Better education
- Owning a business
- Professional aspirations
- Better life
- Wealth position

CPS
- Leadership
- Conflict
- Self-esteem
- Relations
- Organization

Rosenberg
- Self-esteem
- Ambition

Grit
- Persistency
- Ambition

WOW!
What are the policy implications of the evaluation?

1. Training programs for at-risk youth have to potential to improve the **quality of employment**
   - Formality (Up to 52%)
   - Earnings (Up to 17%)

2. There are several **channels** through which such results may be triggered
   - Behaviors
   - Expectations
   - Non-cognitive skills

3. Some of these channels may be an objective in themselves for programs of this sort
   - Pregnancy! (Up to 43%)
But, what do we still do not know?

We need to learn more about the role of **non-cognitive skills**…

<table>
<thead>
<tr>
<th>Question</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which specific skills are positively related to labor market participation?</td>
<td>Leadership? Self-esteem? Ambition?</td>
</tr>
<tr>
<td>By how much do we need to change such skills to impact youth employability?</td>
<td>0.10 std deviations? 0.4 std deviations? More? Less?</td>
</tr>
<tr>
<td>Which training program designs can be effectively replicated and scaled up?</td>
<td>Duration? Theoretical? Applied? Content?</td>
</tr>
<tr>
<td>What are the relevant instruments to measure (and interpret) non-cognitive skills development?</td>
<td>CPS? Rosenberg? Grit?</td>
</tr>
</tbody>
</table>
Thank You!
bibianat@iadb.org