Impact Opportunities 3: Which skills matter for productivity among youth?

Gender Differences in the Effects of Vocational Training: Constraints on Women and Drop-Out Behavior

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Problem: High youth underemployment rates

- 80 percent of the workforce is self-employment.
- Low-skilled youth have fewer job opportunities.
- Vulnerable youth higher risk of transactional sex.
Solution: Transfer marketable skills

- In 2009 Malawi launches the Technical and Vocational Skills Training for Orphans and Vulnerable Youth program (TVST-OVAY).

- Financed by the Global Fund, the program focuses on 15-24 year girls.
Comprehensive Program: Vocational training, Mentorship, Life Skills and Pep-talk.

**Activities**
- Vocational training
- Mentoring support
- Business start-up kits

**Output**
- Vocational & business skills
- Empowerment
- Sustainable income & savings

**Outcomes**
- Increased household income
- Economic self-sufficiency
Impact Evaluation Design: Phase-In

• 1900 youths.

• 2/3 randomly assigned to training (treatment group), 1/3 start training later (control group).

• Pep talks offered to ½ of the treatment group.

• We study program impacts after 4 months and Drop-Outs.
Program Impacts on Labor and Entrepreneurship

- No effects on hours worked after the training.

- Participants 41% less likely to start a business.
Positive Impact on Well-being

- Happy and Satisfied with Life: 77.5% (Control) vs. 92.5% (Training Participants)
- Life has improved during the last year: 61.3% (Control) vs. 86.1% (Training Participants)
Positive Impacts on Skills

Training leads to large, significant increases in
  • self-assessed skills,
  • subjective ability to calculate business profits,
  • knows how to start a business.
Positive Impacts on Human Capital

- Increase in hours spent on skills development (through school or other job training) by 14 hours (133%).
- 12% less likely to migrate and to start a business.
However, most benefits only accrued to male participants.
- Improvements in well-being, confidence and investments in training happened only for **boys**.

- The program had no significant effects for **girls**.

- However, fertility rates significantly declined (5% vs. 18%).
Why? Girls dropped out or did not join the program due to constraining factors, such as
• transport problems
• illness or
• family responsibilities.
• Boys drop out to take advantage of new opportunities and were less likely to miss training.

• Training was better for boys:
  • 20% more likely to receive food/money from trainer
  • 3X more likely work for him after training.
Key Message

1) Vocational training worked (for boys)!

2) Redesign programs to address constraining factors for women.

3) Supplement with other programs, such as providing salaries of different trades.

4) Continue innovating and testing.
Thank you for your attention