

Impact evaluation of the Job Youth Training Program *Projoven*

Juan José Díaz and David Rosas

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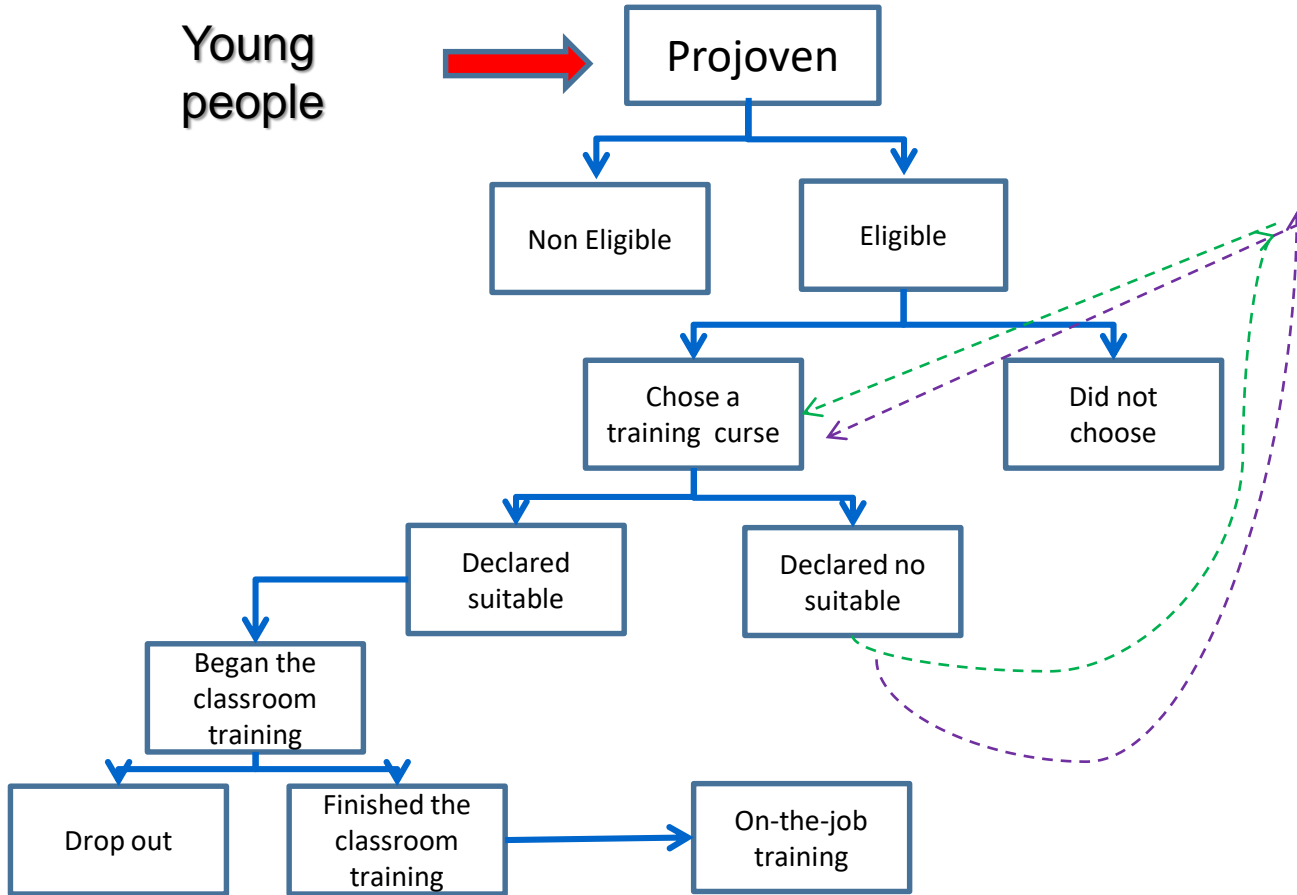
Overview

- Main characteristics of the evaluation:
 - First evaluation of Projoven that uses an experimental methodology
 - Impacts measurements are medium term: they were performed 3 years after beneficiaries finished the program.
 - The evaluation uses data from baseline, a follow up survey, and from administrative records.
- In line with evidence from impact evaluations of similar programs:
 - Positive impact of Projoven on formal employment.
 - Certain heterogeneity of impacts by gender and age

Main characteristics of Projoven

- Operated from 1996 to 2010. Its main objective was to facilitate access for disadvantaged youth to the formal labor market.
- Provided technical classroom training (3 months) and on-the-job training (3 months).
- Did not directly provide classroom training but hired training providers (ECAPs) that were responsible to identify the skills needs of firms and to develop courses oriented to reduce these needs.
- Its main differences with other similar programs in LAC: it did not consider training hours to improve soft skills, and firms had to pay the internship.
- The program was not costly: the average cost per beneficiary was: US\$ 400.

How Projoven operated:



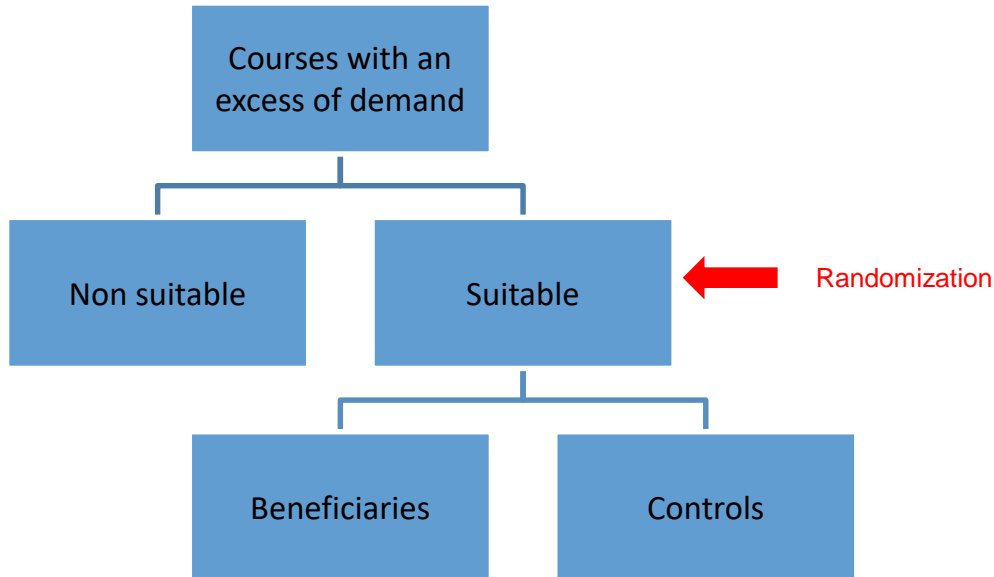
Previous evidence

- Unlike in developed countries, the evidence about the short term impacts of youth training programs in LAC is positive:
 - In general, positive effects on labor incomes and formality.
 - Heterogeneity of impacts according to the beneficiary type

(Ibarraran and Rosas, 2009; Urzua and Puentes 2010; Gonzalez et al, 2012).
- Projovent has many evaluations:
 - All are short-term non experimental evaluations (impacts measured 6, 12 or 18 months after).
 - Important heterogeneity of impacts
 - In general, more positive impacts than in the experimental evaluations of similar programs in LAC (Gonzalez et al, 2012).

(Galdo, 2000; Burga, 2003; Nopo, Saavedra, y Robles, 2002; Chacaltana & Sulmont; 2003; etc.).

Randomization process

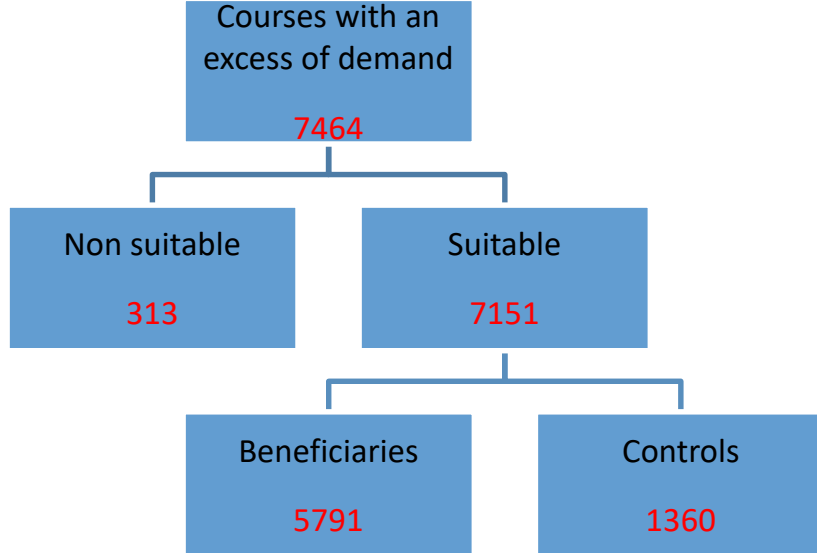


Changes introduced to the program operation:

- Random number.
- Unique identification code
- Baseline at the inscription to the program
 - Socio and economic information
 - Employment history
 - Self-esteem
- + 25%
- ECAPs allowed to use replacements during the first week of courses but those had to be random assigned.
- Controls were not allow to apply to the next public call

Implementation

- The evaluation began in early 2009 (16th public call for applications):
 - 26.770 applicants
 - 23.666 eligible
 - 15.000 selected a course



Differences with the evaluation design:

- The control group was smaller than expected: the rule of 25% was not followed by all the ECAPs.
- Imperfect compliance: participants were allowed to make a second or third course selection and this selection was not random.

The evaluation sample

	Treatment group		Control group		Total	
	N	Percentage	N	Percentage	N	Percentage
Total	5,791	100	1,360	100	7,151	100
Began course stage at a ECAP						
Yes	5,741	99	526	39	6,267	88
No	50	1	834	61	884	12
Completed course stage at a ECAP						
Yes	4,820	83	435	32	5,255	73
No	971	17	925	68	1,896	27
Completed on-site internship stage						
Si	3,028	52	298	22	3,326	47
No	2,763	48	1,062	78	3,825	53

Note: Generated from Projoven's records.

The evaluation data

- The evaluation sample: 7.151 youths considered suitable by ECAPS
- The final sample: youths from 8 major cities in Peru who have baseline and follow up data. The follow up data comes from:
 - The follow up survey:
 - N = 4.509 youths were selected from the evaluation sample.
 - The survey was implemented between November 2012 – March 2013.
 - 2924 youths were interviewed (65% of the survey sample).
 - Treatment group = 2378 and Control group = 546 !!!.
 - The administrative data: Planilla electronica:
 - Electronic document that formal employers have to submit monthly in order to declare their payroll workers (registered employment).
 - The National Identity Document (DNI) was used for the match.
 - 6.583 youths had a DNI (92% of the 7.151 youths).
 - 3590 youths (55%) appeared at least once from January 2009-june 2013.

Attrition

Sample attrition and random allocation to treatment and control groups

	Control group level	Treatment/control difference (std.err.)	N	R2
All	0.370	-0.027 (0.020)	4,509	0.096
Women	0.365	-0.035 (0.026)	2,583	0.11
Men	0.377	-0.026 (0.033)	1,926	0.174
14 -18 years old	0.339	-0.014 (0.030)	1,982	0.168
19 - 26 years old	0.393	-0.033 (0.027)	2,527	0.121
Lima	0.306	-0.033 (0.029)	1,695	0.055
Other cities	0.421	-0.023 (0.027)	2,814	0.099

Note: The table reports the results of the attrition regression for different samples and groups. The dependent variable is assigned value 1 when the observation does not have follow-up information. The second column reports the estimated coefficient for the variable of random allocation to the treatment group. The regression is controlled with fixed effects from the course-section. Standard errors have been estimated using clusters per course.

Significance: * p<0.1; ** p<0.005; *** p<0.01. The statistical significance is: * p<0.1; ** p<0.05, and *** p<0.01.

There is not evidence that attrition is related to allocation to treatment or control groups

Balance of characteristics between groups

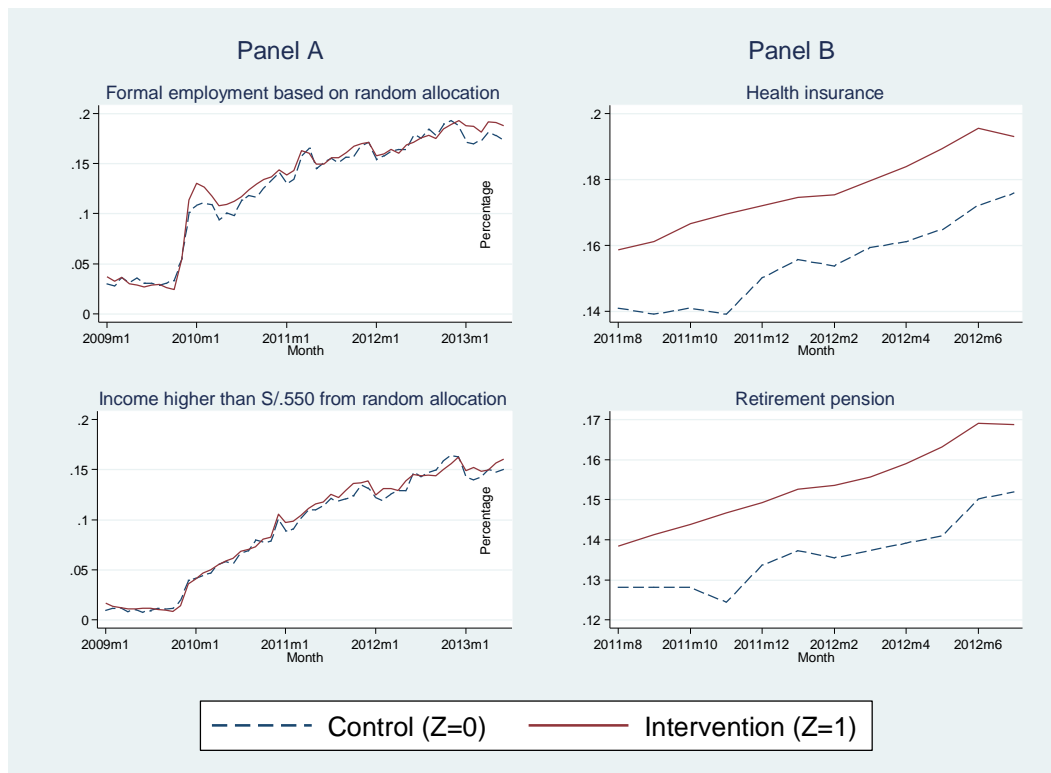
- We analyze the statistical equivalence between youths from the treatment and control groups at baseline.
- We perform the analysis for the complete sample of youths (7.151) and for those that were interviewed in the follow up survey (2.914).
- Our estimates indicate that the characteristics observed in the baseline are balanced between the treatment and control groups.

Impacts

- We use the random assignment of youths into treatment and control groups at the time they made their first course choice: ITT
- We use the follow outcome indicators:
 - From the follow up survey
 - Employment
 - Formal employment
 - Income (per month and per hour)
 - Soft skills measures (Rosenberg scale of self-esteem and Duckworth scales of perseverance and ambition)
 - From the administrative records:
 - Registered employment (calculated by month and by year)
 - Income (higher than the minimum wage)

Evolution of registered and formal employment

Registered Employment Indicators in the Planilla Electronica (Panel A) and Formal Employment Indicators in the follow up survey (Panel B)



Note: The figure was generated with Electronic Payroll data for the sample of youths who possessed a NID (92% of the total sample) and youth in the follow-up survey.

ITT estimates (follow up survey)

	Sub-groups						
	All	Women	Men	14-18	19-26	Lima	OUA
A. Employment indicators							
<i>Employed</i>	0.016 (0.025) <u>0.641</u>	0.015 (0.034) <u>0.552</u>	0.033 (0.038) <u>0.773</u>	0.040 (0.042) <u>0.624</u>	0.013 (0.036) <u>0.655</u>	-0.010 (0.033) <u>0.657</u>	0.030 (0.037) <u>0.626</u>
<i>Wage employment</i>	0.036 (0.026) <u>0.500</u>	0.033 (0.033) <u>0.433</u>	0.036 (0.048) <u>0.600</u>	0.067 (0.045) <u>0.472</u>	0.026 (0.039) <u>0.524</u>	0.007 (0.037) <u>0.534</u>	0.053 (0.037) <u>0.468</u>
<i>Hours per week</i>	1.084 (1.358) <u>30.073</u>	0.886 (1.814) <u>24.960</u>	1.998 (2.396) <u>37.650</u>	2.614 (2.203) <u>27.804</u>	0.880 (2.108) <u>31.990</u>	0.354 (1.973) <u>31.444</u>	1.254 (1.931) <u>28.752</u>
B. Formality indicators							
<i>Health insurance</i>	0.038** (0.018) <u>0.156</u>	0.030 (0.020) <u>0.141</u>	0.069* (0.038) <u>0.177</u>	0.068** (0.028) <u>0.140</u>	0.023 (0.028) <u>0.169</u>	0.046 (0.030) <u>0.213</u>	0.025 (0.022) <u>0.101</u>
<i>Contract</i>	0.028 (0.020) <u>0.178</u>	0.002 (0.023) <u>0.163</u>	0.076* (0.041) <u>0.200</u>	0.042 (0.031) <u>0.156</u>	0.019 (0.030) <u>0.196</u>	0.024 (0.036) <u>0.265</u>	0.020 (0.022) <u>0.094</u>
<i>Retirement pension</i>	0.033* (0.018) <u>0.150</u>	0.029 (0.021) <u>0.129</u>	0.054 (0.039) <u>0.182</u>	0.045 (0.028) <u>0.140</u>	0.028 (0.027) <u>0.159</u>	0.046 (0.029) <u>0.205</u>	0.012 (0.022) <u>0.097</u>

Positive and significant impacts on the quality of employment

No significant impacts on employment, income and socio-emotional indicators

Notes: The sample corresponds to individuals who completed the follow-up survey. Outcome variables are extracted from the information obtained in this survey. All estimations include fixed effects per course. Each estimation controls by gender, age, education, household characteristics, employment trends and income. The standard errors were estimated using clusters per course. Statistical significance: * p<0.1 ** p<0.05, and *** p<0.01.

ITT estimates (administrative records)

	Sub-groups						
	All	Women	Men	14-18	19-26	Lima	OUA
A. Had a job registered in the Electronic Payroll							
Any month in 2011	0.013 (0.025) <u>0.337</u>	0.009 (0.030) <u>0.313</u>	0.018 (0.049) <u>0.373</u>	0.027 (0.039) <u>0.296</u>	0.013 (0.033) <u>0.372</u>	0.039 (0.043) <u>0.412</u>	-0.012 (0.030) <u>0.264</u>
Any month in 2012	0.024 (0.022) <u>0.315</u>	0.027 (0.027) <u>0.279</u>	0.059 (0.045) <u>0.368</u>	0.028 (0.038) <u>0.316</u>	0.046 (0.034) <u>0.314</u>	0.054 (0.034) <u>0.360</u>	-0.008 (0.029) <u>0.272</u>
Any month in 2013	0.045* (0.023) <u>0.269</u>	0.061** (0.028) <u>0.232</u>	0.051 (0.042) <u>0.323</u>	0.026 (0.041) <u>0.291</u>	0.088*** (0.029) <u>0.250</u>	0.065* (0.036) <u>0.318</u>	0.025 (0.030) <u>0.221</u>
Any month from 2011 to 2013	0.016 (0.026) <u>0.455</u>	0.034 (0.033) <u>0.409</u>	0.015 (0.047) <u>0.523</u>	0.013 (0.042) <u>0.453</u>	0.037 (0.033) <u>0.456</u>	0.014 (0.042) <u>0.551</u>	0.015 (0.032) <u>0.362</u>
Number of months in 2011	0.308 (0.202) <u>2.168</u>	0.387* (0.231) <u>1.969</u>	0.348 (0.400) <u>2.459</u>	0.358 (0.303) <u>1.806</u>	0.334 (0.284) <u>2.470</u>	0.526 (0.364) <u>2.704</u>	0.062 (0.225) <u>1.649</u>
Number of months in 2012	0.258 (0.197) <u>2.269</u>	0.370* (0.224) <u>1.978</u>	0.316 (0.400) <u>2.695</u>	0.201 (0.334) <u>2.263</u>	0.471 (0.294) <u>2.274</u>	0.373 (0.315) <u>2.730</u>	0.082 (0.241) <u>1.822</u>
Number of months in 2013	0.221** (0.111) <u>1.171</u>	0.349*** (0.130) <u>1.015</u>	0.201 (0.200) <u>1.400</u>	0.239 (0.190) <u>1.202</u>	0.355** (0.150) <u>1.145</u>	0.328* (0.181) <u>1.431</u>	0.123 (0.133) <u>0.920</u>
Number of months 2011 to 2013	0.786* (0.435) <u>5.608</u>	1.107** (0.466) <u>4.963</u>	0.865 (0.879) <u>6.555</u>	0.798 (0.696) <u>5.271</u>	1.161* (0.615) <u>5.889</u>	1.227* (0.707) <u>6.865</u>	0.267 (0.533) <u>4.391</u>

Positive and significant impacts on registered employment in 2013

(We also find impacts on incomes)

Conclusion

- The results of the evaluation differ from those of previous evaluations of Projovent and are aligned with the evidence of experimental evaluations of similar programs in the region:
 - The program increased the opportunities of finding a formal job, in a context of high labor informality.
 - Considering the high level of labor informality, the impact is low.
- Differentiated results are obtained according to gender, age and place of residence of youths.
- Differentiated results are also obtained according the source of information that is used: more analysis is needed.

THANK YOU!

