



Mongolia

Showing how vocational training programs can better target youth unemployment

This PEP research project led to:

- The Mongolian Ministry of Labor and Social Protection (MLSP) committing to the vocational training program policy.
- The simplification of the registration process for vocational training programs.
- The MLSP citing findings in a proposal for a new active labor market program for people in poverty receiving food coupons.
- The team members becoming national experts, solicited for consultation and training.

Background

Introduced in 2003, the short-term vocational training programs (VTPs) are now the oldest and largest of the Mongolian government's active labor market policies. Yet, as of 2012 there had been no quantitative evaluations of their impact.

The VTP policy was designed to help people who are unemployed or vulnerable to unemployment, youth who are not enrolled in formal education, and low-income citizens

In 2012, with no proof that the VTPs were effective, the Mongolian Ministry of Labor and Social Protection (MLSP) was considering replacing the scheme.

Between 2013 and 2016, PEP provided training and support for the first randomized control trial to be led by local researchers in Mongolia. The research team conducted an impact evaluation of the VTPs to assess the effects of the programs on earnings, job quality, and the likelihood and duration of youth employment in Mongolia's capital, Ulaanbaatar.



Key research findings...

The evaluation results indicate that, in the short term, the vocational training programs increase:

- Employment rate by 13%
- Monthly earnings by 25%
- Skill match (as indicator of job quality) by 4%

Participants aged between 25 and 30 were more likely to be employed in the short term after training than participants in other age groups.

Providing information about the labor market alongside technical training decreased the course dropout rate by 5%. Participants who received labor market information as well as training had better attendance than those who received only training.

...and conclusions

The VTPs can be effective for promoting employment and improving income amongst youth workers in the short term. However, the system could be improved to work more efficiently.

Some vocations are significantly more popular than others. Removing the quota per vocation could increase the youth participation rate.

Providing trainees with information about the labor market could be a cost-efficient way to improve the overall impact of the vocational training programs by improving attendance and reducing dropouts.

Building and promoting new expertise in Mongolia

Developing new skills through PEP training

To be able to produce high quality research and findings, the research team completed PEP-supported training in cutting-edge experimental research methods. These included randomized control trials (RCT), random sampling methods and statistical methods for estimating impacts. Altantsetseg Batchuluun, the project leader, and Bayarmaa Dalkhjav, a team member, received this training when they participated in the 2013 PEP Annual Conference in South Africa. The team leader then helped her team members develop their impact evaluation skills during technical workshops at home.

As the first RCT led by local researchers in Mongolia, developing in-country expertise and experience in policy impact evaluation was one of the team's key objectives and motivations for seeking PEP support. Prior to the study, knowledge, and use of these methods were practically inexistent among local researchers and policymakers. This was also the first project to receive PEP support in Mongolia.

“PEP support helped us attract the attention of key national policymakers for both our findings and our research methods.”

- Altantsetseg Batchuluun

The team has already provided special impact evaluation and survey methodology training workshops to officers of several institutions, including the Ministry of Labor.

Furthermore, their new expertise led to multiple invitations to share their findings at the national and international levels. These invitations included the opportunity for the team to present their PEP study at the 2014 ADB/3iE international conference on “Making Impact Evaluation Matter: Better Evidence for Effective Policies and Programmes”. They won second prize for their presentation in the category of Low and Middle Income Country researchers.

Linked to their work on this project, two team members received promotions. Altantsetseg Batchuluun was recruited as a member of the Policy and Methodology Board of the Research Department of Labor Promotion and Research Center in 2015. Tsogt-Erdene Baldandori was appointed General Secretary of the Mongolian Economic Association in 2014.



The experiment

To conduct the study, the research team collaborated with the Metropolitan Employment Department (MED), the main VTP implementation agency. The MED invited unemployed or inactive youth to apply for the program and applicants were randomly assigned to the training and control groups.

The 410 young people who received training were split into two treatment groups: 119 received only training while 291 also received information about the Mongolian labor market. The team measured employment and earnings, and attendance, completion, and dropouts.

A significant career-promoting experience

Following the success of this project in providing high quality evidence for policy, **the research team members have become national experts. They have been solicited to provide training and consultation on using these methods in other contexts.**

In addition to funding, all PEP-supported research project teams benefit from intensive training activities (at the onset of the project), access to related resources (recommended readings, training materials, software tools, etc.), a unique international peer-review experience, as well as ongoing mentoring and technical support provided by PEP mentors (world leading experts in relevant research methods/areas) throughout the project lifecycle. Find out more: www.pep-net.org/support-program

Engaging with key policymakers, advisors and stakeholders

Vocational training programs to better target youth unemployment thanks to PEP findings

Fall 2012 Initial consultation meetings between research team, MLSP and implementation agency



Fall 2013 Implementation of the intervention in collaboration with the Metropolitan Employment Department



Spring 2014 MED changes VTP registration process and contract, following preliminary findings



October 2016 Team organizes national policy conference in Ulaanbaatar

that the government is currently revising the VTP design with support from the World Bank and that the PEP team's findings would inform this work.

The national policy conference was widely reported in the national media, including newspaper and television reports prior to and from the event. Following the conference, the Swiss Agency for Development and Cooperation (SDC) and the Deputy Mayor of Ulaanbaatar expressed interest in further research collaborations.

Additionally, the Mongolian government has introduced a new practice whereby government agencies must cite research-based evidence to propose an amendment to the law. **The MLSP Department for Social Welfare cited the team's findings in a proposal for an active labor market program for people in poverty who receive food coupons.**

While designing the project proposal, the team consulted with directors from the Mongolian Ministry of Labor and Social Protection (MLSP), the Metropolitan Employment Department (MED), the Mongolian Employment Service Center, and the State Institute for Labor Studies. These consultations helped to identify knowledge gaps and define the research questions. At this time the MLSP had no proof that the vocational training programs (VTPs) were effective and was considering replacing the scheme.

To conduct the study, the team collaborated with the MED as the main implementation agency of the VTPs. This meant that when the team found the program was not reaching its target population, just six weeks into the project, they were able to quickly and efficiently share this information. In response and recognizing that many unemployed young people do not have a well-developed network in the job market, **the MED (acting upon the researchers' recommendation) simplified the registration process and dropped the "potential employer" requirement.**

In October 2016, in collaboration with the MED and the MLSP, the team organized a national policy conference in Ulaanbaatar. As well as a forum to discuss the team's findings and recommendations, the conference provided an opportunity for the team to raise awareness of the importance of evaluating the impact of programs and policies. During the conference, the team encouraged cooperation to establish a network of labor researchers and policymakers and government officials.

Based on the team's findings, that the government-sponsored VTPs increase youth employment and monthly earnings among those who participate, **the MLSP has committed to the VTP policy.** During the team's conference, the **MLSP Deputy Minister stated**

Local research team

Altantsetseg Batchuluun

Project leader
Department of Economics, National University of Mongolia (NUM)

Amartuvshin Sanjmyatav

School of Economic Studies, NUM

Bayarmaa Dalkhjav

School of Economic Studies, NUM

Soyolmaa Batbekh

School of Arts and Sciences, NUM

Tsogt-Erdene Baldandorj

School of Economic Studies, NUM

PEP mentors

Jose Galdo
Maria Laura Alzua

PEP publications

Working paper 2017-12
Policy brief 147



From research to real life

Young people benefit from the vocational training programs

Oyuntungalag Nemekhbayar is a 29-year-old single mother in Ulaanbaatar, Mongolia. For many years she lived with her son in a ger (a traditional Mongolian round tent-like shelter). She recently bought a small detached house, with a fence. "I bought this house thanks to my current job," she says.

After high school and without any specific vocational training, Oyuntungalag worked in a variety of low-paid temporary jobs. Four years ago she completed a vocational training program in hairdressing, and, she says, it changed her life.

The VTPs offer training in 80 vocational skills including hairdressing, cooking, and various types of construction. Training courses vary from 20 to 45 days. They consist of classroom training followed by an internship that provides on-the-job experience.

For Oyuntungalag, the VTP training meant she could get a job as a

hairdresser. Her average monthly income has almost tripled compared to before the training, making life more comfortable for Oyuntungalag and her son.

In 2012, one year before Oyuntungalag completed training to become a hairdresser, the Mongolian Ministry of Labour and Social Protection (MLSP) was considering replacing the scheme.

Through their PEP-supported research project, the local research team found that the vocational training programs increase the employment rate, monthly earnings, and skills match (as an indicator of job quality) of participants.

For the first time, the team was able to provide empirical evidence to the Mongolian government that the VTPs were achieving their purpose effectively.

The team's preliminary findings also indicated that the program was not reaching its target audience.

After only six weeks of research, the team shared this information with the Ulaanbaatar Metropolitan Employment Department (MED), as the main implementation agency of the VTP.

The MED responded to the team's findings, recognizing that many unemployed young people do not have a well-developed network in the job market. The MED dropped the "potential employer" requirement to simplify the registration process.

Dropping the "potential employer" requirement made the VTPs more attractive to young entrepreneurs, like Enktur Myagmarsuren. Since completing a VTP in car mechanics, Enktur, 29, has changed careers and started his own car repair business. His monthly income has more than doubled, and he is already planning to expand the business.