

**The Impacts of Vocational Training Programs on
Youth Employment in Mongolia^{*}**

RESEARCH PROPOSAL

Presented to

Partnership for Economic Policy (PEP)

By

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Abstract

This research focuses on evaluation of the impacts of short-term vocational training programs on earnings and likelihood of employment of young unemployed in Mongolia. The evaluation will be based on the randomized controlled trial. According to the NSO Population census data, in 2000, youth unemployment was 22.8 percent and in 2010 it was 20 percent. In 2008, the government has set a target to reduce youth unemployment to 2.5 percent by 2015. Vocational training program is the most popular program among young unemployed and has been implemented extensively during a last decade. Impact evaluation of the vocational training program on likelihood of youth employment is crucial for labour policy in the future. The research will collect data for both control and treatment group and estimate the impact.

^{*} We thank the reviewers of PEP-NET for valuable comments on this research proposal.

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1. Introduction

The purpose of this research project is to explore the short and long run impacts of short-term vocational training on the likelihood of employment, income and employment status of young unemployed.

According to ILO, the global economic crisis in recent years hit young workers most hardly and high unemployment may last for a while. In Mongolia, youth unemployment is extremely high. According to the NSO Population census data, in 2000, youth unemployment was 22.8 percent and in 2010 it was 20 percent. During the last decade, the Government of Mongolia has implemented various activities to promote labour. In 2011, the Law on Employment Promotion was rewritten and adopted by the parliament. The new law includes a broad range of employment promoting policy instruments such as vocational training, competency-based training, work ethic, relation training, microcredit, and so on.

Among these instruments, vocational training is one of the oldest and widely used instruments of labour promotion. However, there is no quantitative estimate on the impact of vocational training on youth employment. There are a few studies, surveys on employment such as labour market barometer surveys (The Central Labour Exchange), labour force surveys (National Statistical Office) and household income and spending surveys (National Statistical Office). Although these surveys provide primary data and valuable information on employment and unemployment, there is no study on the impact of employment promotion policy.

We will conduct a randomized experiment on vocational training in order to estimate the short and long run impacts of training on youth employment. In Mongolia, this type of randomized experiment has not been utilized for policy impact evaluation. Therefore, this study will fill this knowledge gap and provide valuable information on policy impact.

There is large literature on impact of Active Labour Market Programs (ALMP) in OECD countries. Ashenfelter (1978) and Heckman et al (1999) studied the impact based on the randomized field experiment data. These studies estimate modest impact on employment and

earnings in OECD countries. There are a number of studies on the impact of ALMP in developing countries with particular attention to Latin American Countries (LAC).

However, evidences on positive impact of training on employment from experimental studies in developing countries are limited. Ibararán and Shady (2008) and Card, Ibararán, Regalia, Rosas-Shady and Soares (2011) studied youth training in Dominican Republic and found little evidence of a positive effect on employment outcomes but some evidence on earnings. On the other hand, Attanasio, Kugler and Meghir (2011) studied randomized training program in Colombia and found evidence on positive impacts on earnings and employment for both men and women.

Moreover, experience of evaluation of ALMP in developing countries is limited by LAC only. For example, evaluation of the impact of ALMP using experimental design has not been conducted in Asian countries and transition countries. However, country characteristics, culture, and economic structure are very different from the LAC in these areas. This makes the generalization of previous results for countries in these areas hard. Betchermen, Olivas and Dar (2004) emphasizes that there is still much more to learn about the impacts of ALMPs in the context of developing and transition countries. Therefore, this research will fill this knowledge gap.

In addition to the impact evaluation of ALMP, the team will conduct labour market analysis using secondary sources (survey data from NSO, ILO) of information to explore particular feature of Mongolian labour market. Mongolia certainly has some specific features in terms of its current economic changes. For example, country is expecting substantial economic growth from its mining sector, the most capital intensive sector and on the other hand, its livestock sector, which is the most labour intensive sector, is shrinking. Therefore, the labour market of Mongolia is facing a big challenge in near future.

Unusually, high youth unemployment has attracted government attention. According to the “Comprehensive Policy on National Development based on the MDG” approved in 2008, the government has targeted to reduce the youth unemployment to 2.5 percent by 2015. However, 2010 Census data shows still high youth unemployment of 19.5 percent. There is a serious lack of information on policies targeted at youth employment, especially on the impact of policy.

Although, vocational training has been used for over a decade to promote employment with special attention to young unemployed, there is no study on its impact yet. In the fourth national report on Millennium Development Goals Implementation in 2011, the government acknowledges a lack of comprehensive study on labour market and an importance of a research for better impact of labour promotion policy.¹

The structure of the proposal is the following: in the first section, the team introduces the research question and rationale of the project. In the second section, the design of the experiment and intervention is discussed. In the third section, the results chain is shown. Fourth section discusses the hypothesis. The methodology including random assignment, sample size and sampling design is discussed in fifth section. The sixth section explains the data collection process. Final section is about the impact estimation.

¹ The team consulted with key stakeholders and they acknowledged the importance of impact evaluation of the labour promotion policy and a lack of research and study on labour market policy. They are willing to cooperate with the team.

2. The experiment/intervention

According to the Law on Employment, the objective of short term vocational training is to encourage employment through skill improvement. The short term vocational training program focused on the following groups of population:

- Unemployed
- Vulnerable to unemployment
- Person with difficulty to find a job
- School dropouts, who is in labour force.

The share of the unemployed is the largest in this population. According to Guidance on Employment Training approved by National Board of Employment, at least 70 percent of training participants should be registered as unemployed at Labour Exchange Central Office.

According to Labour Market Survey of the Labour Promotion Center, there are 44 thousand registered unemployed people in Mongolia, in 2011, which is 5.5 percent of labour force. Out of them, 17.8 thousand people are registered in Ulaanbaatar, the capital city of Mongolia. 25.7 percent of registered unemployed is youth between 15 and 24 ages and 55.8 percent of unemployed has lower than technical and vocational training.

The team will do experiment in order to evaluate the impact of vocational training on likelihood of youth employment. The Short Term Vocational Training Program has been implemented by the Government of Mongolia since 2000 and it is the oldest and largest program.

The beneficiaries of the experiment will be young unemployed between 15 and 25 years old, who want to participate in vocational training. They will improve their skills and competitiveness in labour market, which will help them to find a job, by participating in the training. In long term, young unemployed will benefit from increased likelihood of employment and higher earnings.

Depending on skills to obtain, the duration of the short term vocational training varies from 14 days to 45 days and it takes at least 144 hours (4 credit hours). The maximum amount of theory for the training is 30 percent and the remaining 70 percent of the training contains practical work

and internship. Trainees do not receive any stipend and any reimbursement of transportation cost. However, participants do not pay for the training. Tuition of the training for unemployed people is paid from the Employment Promotion Fund of the Government.

EPSC disseminate information on organizing the short term vocational training to districts' labor and welfare service departments and the departments forward it to khoros, which is an administrative unit. People get information about the training from information board of khoros, or khoroo officials.

Interested people apply for the short term vocational training in a khoroo office. Khoroo officials check the eligibility criteria and send a reference letter to Labour and Welfare Service Department of District Office on behalf of the eligible applicant. A trilateral contract (an applicant, the Labour and Welfare Service Department and a training institution) of training participation is signed at the department. After a contract is signed, an applicant will be ready to start the training. The team will closely follow this procedure to design and implement the experiment.

For the experiment, the team will choose young registered unemployed to evaluate an impact of vocational training program on employment and income/earning. From the sample of young unemployed, participants of the training (treatment group) will be selected randomly and the rest is a control group.

3. The results chain

Lack of relevant skills, training opportunities and work experiences are linked to high unemployment rate among young people.² According to labor experts at the Labor Research Institute, a major reason for high youth unemployment in Mongolia is lack of skills and work experience. Short-term vocational training program will result in 350 trained young unemployed with short term work experience through internship (See Figure1). In the short run, the project is expected to have the following outcomes:

- Young unemployed with new vocational skill

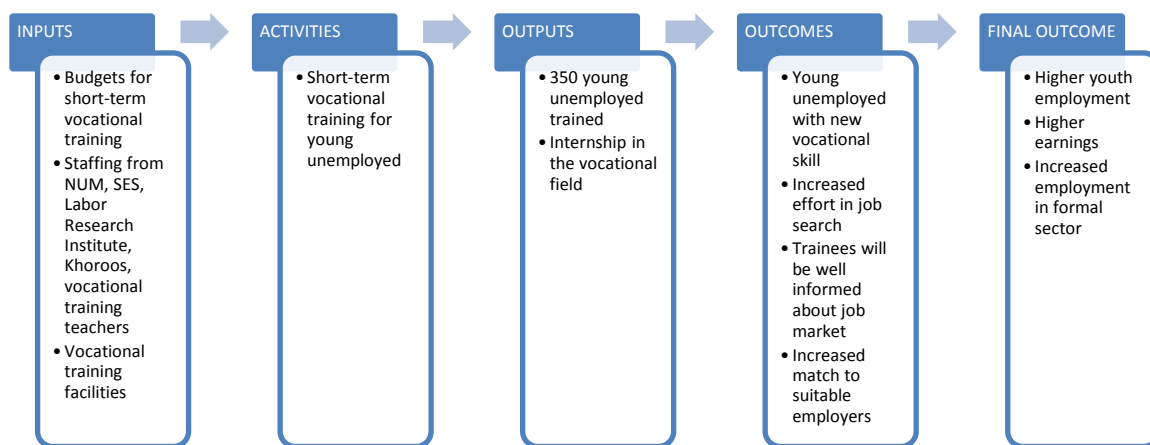
² Resolutions adapted by International Labor Conference at its 93rd session, Geneva, June 2005, ILO

- Increased effort in job search
- Trainees will be well informed about job market
- Increased match to suitable employers

In the long run, the research team assumes that the short-term vocational training increases the probability of youth employment. The other program impacts are increased earnings and formality of the employment.

Figure

1.



3.1. Assumption and risks

One potential problem is a low completion rate as a participant may not register for the program (no-shows) or a participant may drop out of the program before completion (dropouts). According to Card, Ibarrran and Villa (2011), it is very rare to achieve a completion rate over 80%, and rates low as 50% is common. If person dropped out, the team will try to contact with the dropouts for the follow-up questionnaire.

Due to the potential risks of non-completion by the treatment group and non-response to follow-up survey, the team increases the sample size from 520 to 700 participants, which is 35 percent increase. Half of participants will be treated by the training program.

The team understands that there is still a risk of no-shows, dropouts and cross-over. Following the guidelines by Card, Ibarra and Villa (2011), the team will keep following all the participants of the study including the no-shows, dropouts and cross-over.

There is a potential problem of site variation. The participants will be recruited from 20 khoroos and the short-term vocational training is expected to be organized at multiple sites. We will maintain balance across sites between the treatment and control groups as suggested in Card, Ibarra and Villa (2011). Site information will be collected for both treatment and control group. This problem will be solved during the impact estimation.

4. Hypothesis

Generally, the research team assumes that the short-term vocational training increases the probability of youth employment. More specifically, the research team proposes to test a hypothesis that the impact of short-term vocational training program on youth employment is at least 12 percent. That means there is a 12 percent difference in employment status of the treatment and control groups. Since the sample size allows us to test the impact of training starting from 12 percent at minimum, we can test the impact of higher than this.

The percentage of the employed after the short-term vocational training is more than 40 percent according to monthly bulletin of Labor Department of Ulan-Bator, the capital city of Mongolia. Therefore, we assume that 40 percent of the program participants get employed after the training while the percentage of employment of the control participants is 28 percent.

The other assumptions to be tested are about the program impact on the earnings and formality of the employment. Based on qualitative and quantitative data that will be collected during baseline and follow-up surveys, the team will be able to test the difference in earnings and probability to be employed in formal sector. Since participants will be asked about their income tax payment and social security contribution, payment of tax and social security contribution will be the indicator for formality of employment.

5. Methodology

Research team will estimate short and long run impacts of short-term vocational training on the youth employment, earnings and formality of the employment status by using randomized experimental method. Short-term vocational training is the largest program used in active labor market policies (ALMP) in Mongolia and has been used for more than a decade. However, there is no study on its impact on likelihood of employment in Mongolia. At the international level, according to Card, Ibararán, Regalia, Rosas-Shady and Soares (2011), job training policy is one of the most rigorously studied and evaluated public policy. Randomized experimental designs are widely used for ALMP evaluations and considered to be able to provide credible evidences if conducted carefully. Therefore, the team will use randomized experimental method. The team carefully studied and followed the researches and guidelines recommended by PEP reviewers to design the methodology. In particular, the team closely followed the practitioners' guide by Card, Ibararán, Villa (2011).

5.1. Random assignment

The team carefully studied the current ALMP implementation mechanism and decided to focus on the short-term vocational training program. In order to evaluate the impact of this program the team will closely follow the existing government procedure. The team will consult with the Ministry of Labour about short-term vocational training.

In Ulaanbaatar, there are 152 khoroos, which is an administrative unit. At the first stage, 20 khoroos will be randomly selected with probability proportional to their population. Then a sample of 700 will be distributed equally among the selected khoroos.

Then the team will advertise about an opportunity to participate in a short-term vocational training for young unemployed in the selected khoroos. The nature of the experiment will be explained before the application process starts to an interested person. Once he or she agrees to participate in the experiment, they will be asked to fill an application form. The application form will have questions with screening purposes and contact information for follow-up surveys. Applications will be collected on the first come-first served basis within a given time-frame and then all the applications will be screened with the assistance of khoroo governors. All eligible

applicants will be asked to fill a baseline survey questionnaire. Screening will be based on the age (15-25) and employment status (unemployed) and khoroo governors will help us to check the information validation.

After 700 applicants are determined, the team will randomly draw the number of the applicants in the list. Then the selected 350 applicants will form the treatment group /We can use matlab command `randint(350,1,700)/` and the other 350 applicants will form the control group.

Overall, the team will cooperate with the Ministry of Labour, Employment Promotion Service Office and khoroo governors throughout designing and implementation of the experiment.

After the random assignment, the team will check the randomization by using probit model. Treatment status will be regressed on baseline characteristics. Probit model will be fitted for treatment group status. If randomization is administered correctly, then we will expect acceptance of null hypothesis (null hypothesis will be all baseline characteristics has no effect on the treatment status) by likelihood ratio statistic test or low value of pseudo R squared.

5.2. Sample size

The research team proposes to test a hypothesis that the impact of short-term vocational training program on youth employment is at least 12 percent. That means there is a 12 percent difference in employment status of the treatment and control groups. The ability to detect at least 12 percent of the program effect is sufficient compared to the government's goal of 30 percent impact of the program. In 2009, employment rate among program graduates is 40 percent on average in Ulaanbaatar (The Report of Labor Department of City Governor's Office) and therefore the team assumes employment rate among the control group to be 28 percent on average. According to Guidance of Employment training program in 2012, the Government has a goal to reach employment rate of trainees at 70 percent. In other words, the government wants to improve the employment rate of graduates (within the treatment group) by 30 percent and as a result, it aims to have more than 40 percent difference in employment rates between graduates (treatment group) and non-participants (control group).

The next important determinant of a sample size is a control group's employment rate. As mentioned above, the control group employment is 28 percent. In randomization process, eligible participants should have the same probability of assignment to the treatment group. Therefore, we choose the equally-sized groups of treatment and control. For the standard choice for the statistical significance level (5 percent), the adequate power of design (80 percent) and the selected effect size (12 percentage points), the sample size is 520 participants, out of which 260 will be assigned to the treatment group and 260 to the control group. Due to the potential risks of non-completion by the treatment group and non-response to follow-up survey, the team increases the sample size by about 35 percent and the sample size becomes 700 participants, out of which 350 to the treatment and 350 to the control group.

Statistical power: In order to prevent committing Type I and II errors, we choose a standard level for statistical significance, 5 percent and the statistical power, 80 percent.

5.3. Sampling design

According to the experiment design, the team will work at 20 randomly selected sites or khoros in Ulaanbaatar. The team will select and register 35 applicants for the training on a first-come or first-serve basis from eligible applicants at each khoroo.

The team will recruit applicants for the short term vocational training from the regular flow of clients at khoros. In order to follow the method to disseminate information of the training from labour department, the team will prepare advertisements of training at khoroo office and recruit officials of khoros.

The team will choose randomly 20 khoros from 152 khoros in Ulaanbaatar and register 40 persons from each khoroo, out of which 350 persons will be assigned as a treatment group, 350 persons as a control group and 100 persons in a waiting list for available program slots and potential control groups. The registration process will last for one month.

To follow the same screening process, the team will screen eligibility criteria of applicants with the assistance of khoroo governors, as khoroo officials implement the screening procedures in a

regular registration process. If officials identify an applicant as eligible, applicants will fill a questionnaire for the baseline survey.

Researchers working at khoros will write protocols carefully on registration and selection procedures. After screening eligibility of applicants, applicants will fill the baseline survey questionnaire. Once eligible applicants were recruited, a randomization process through a random number generator (Matlab, Excel, Stata etc) will assign the treatment and control groups.

6. Data collection

Participants of both treatment and control groups will be surveyed three times: (1) baseline survey, which will be taken place before the randomization, (2) first follow-up survey, which will be taken place after 8 months of the randomization, and (3) second follow-up survey, which will be taken place after 2.5 years of randomization. Two follow-up surveys are planned to be conducted as research team is planning to estimate short and long run program impact of the vocational training.

6.1. Baseline survey

Baseline survey questionnaire will include questions related to background and primary variables. Background variables can be identified and measured, but cannot be controlled³. The example of these variables is individual characteristics such as age, gender, education, dwelling type, health status, communities etc. These variables will be used in an analysis and they will influence the outcome of the experiment. Primary variable is a variable of our interest. A questionnaire of baseline survey will include questions for the following characteristics:

- Basic individual information: Age, gender, education, marital status, dwelling type, health status, experience
- Family characteristics: number of children, number of dependents, household's income, assets, other benefits
- Information on employment and earnings: previous and current employment status (unemployed/registered unemployed),

³ "Concepts of Experimental Design", Design Institute for Six sigma, 2005

- Contact information in order to be in contact with participants: copy of valid identity card, phone number, relatives' phone number, address etc.

6.2. Follow up survey

In both baseline survey and follow-up questionnaires, there will be questions related to employment status, search process of a job. In data collection process, the team will collect key data to analyze employment rates and earnings of both treatment and control groups. Moreover, follow-up surveys will be conducted also among no shows, drop-outs and cross-over participants as well as the realized treatment and control groups at the final stage of the experiment. Thus, it will provide us opportunity to compare all groups and test the difference between groups. The following data will be collected during the follow-up survey to capture changes in outcome variables-employment status, earnings and formality of employment:

- Employment status, job search
- Total earnings per month,
- Hours of work,
- Number of jobs held,
- Formality of employment and
- Social security contribution, income tax payment etc.

To conduct labour market analysis and exploit specific feature of Mongolian labour market data, the team will collect additional data from Labour Force Surveys and Population Census conducted by NSO, and other secondary source data and information from Ministry of Labour, Labour Exchange Central Office, Employment Service Center and ILO.

6.3. Data collection process

Prior to data collection, the team will train enumerators for fieldwork. Enumerators will work at the labour exchange central office to register young unemployed for the experiment and take an interview using data collection instrument. In the beginning of the interview, enumerator will introduce the purpose of the experiment and ask an acceptance to participate in the experiment.

In addition, enumerator will carefully explain each participant about the experiment and the random selection process.

Data entry person will be prepared by the training. After each interview, data entry process will be taken place. The team will analyze data and write draft and final reports of the experiment.

The team will develop survey instruments in order to collect data. Survey instruments collecting data will consist of two types of questionnaires: baseline survey and follow-up survey questionnaires.

The team will collect baseline data before random assignment. When participants applied to trainings at khoroos, officials identify applicants' eligibility for training. Eligible applicants will fill a questionnaire for the baseline survey.

There will be two follow up surveys: the first one is for the evaluation of short run impact of vocational training program and the second one is for long run impact of it. The first follow-up survey will be conducted in eight months after the randomization. The team will follow-up both the control and treatment groups and will take a short interview about their employment status. The difference in employment rate and income level of the treatment and the control groups will indicate the short run impact of training on youth employment. This follow-up will be completed within the time-frame of the project.

However, the second follow-up survey will be conducted in 2-2.5 years after the randomization with the financial support from the SES to do a comprehensive analysis of the impact of ALMP.

Some of the participants may not be reachable during the follow-up surveys. In order to make sure higher response rate, the team will develop a separate plan for tracking the participants.

The detailed steps to contact participants for the follow up are explained below.

STEP 1. Contacting the participant

1.1. Contact the participant by phone. If a phone call is successful, then set up an appointment for an interview.

1.2. If the participant cannot be reached with the first call, try other numbers provided in the contract. Enumerator should continue the call until get connected.

STEP 2. Administering the survey:

- 2.1. After successful contact, enumerator will make an appointment with the participant and visit his/her home to do the interview.

STEP 3. Visit participant's house

If all of the contact persons cannot be reached by phone within 3 days, then enumerator should visit their house.

- 3.1 Get the address from the contract;

- 3.2 An enumerator should attempt at least 3 visits at different times on different days.

Enumerator should leave notification fliers outside homes if the household members are not available;

Each call to participant will be recorded on the tracking protocol sheet. A complete guide on how to make a call and fill out protocol sheet will be included in the training manual for the enumerators. Table.2 shows a sample sheet of the calling and visiting process protocol.

Table 2. *Sample of tracking protocol sheet*

	Call1	Call2	Call...	Visit 1	Visit 2	Visit 3
Participant						
Contact person 1						
Contact person 2						
.....						
Contact person 5						

7. Impact estimation

The research team is planning to use simple OLS to estimate the impact after the careful analysis and cleaning of the data. Once it is proved that there is no problem of randomization the research team will estimate the impact with a simple univariate specification that has only one dummy variable for treatment status at first hand. Then models will be adjusted by including baseline characteristics in order to have more precise estimation.

There are three outcomes of interest - (1) employment status (2) earnings and (3) formality of the employment– that will be regressed on the treatment status and other baseline characteristics. Models will be specified as the following:

$$E = \alpha_1 + \alpha_2 D + \sum_{k=3}^n \alpha_k X_k + e \quad (1)$$

$$I = \beta_1 + \beta_2 D + \sum_{k=3}^n \beta_k X_k + e \quad (2)$$

$$F = \delta_1 + \delta_2 D + \sum_{k=3}^n \delta_k X_k + e \quad (3)$$

In equation (1), E, F and D are binary variables for employment status, formality of employment and treatment status of participants respectively and e is disturbance. I in equation (2) is monthly salary. Baseline characteristics are expressed by X_k s in three equations. α_2 , β_2 and δ_2 will be the basic experimental impact estimates. Formality of employment will be indicated by the payment of income tax and social security contribution.

OLS estimation on the employment status and formality of employment will be supported by probit model to provide more precise information on the effect of probability.

A simple OLS method will be used to estimate the effect of the treatment by controlling the baseline characteristics and site differences. Limited dependent variable model – probit model will be fitted for binary outcome variables such as employment status and formality of employment.

Research team expects some differences on the program impact by khoros and training centers. Participants will be selected from randomly selected 20 khoros which could be differ by many factors such as distance to the city center, population density and service quality of labor department etc. Research team is planning to control the khoroo-by-khoroo differences in

outcomes by entering dummy variables though it reduces the degrees of freedom (it will decrease the degrees of freedom by 19).

Another potential site difference could be caused by different quality of training centers. If any site difference is observed, the research team will check this site effect by constructing differences in outcomes by training centers and then taking weighted average of these differences. Weights will be the fraction of the treatment and control groups at each site. If a substantial site difference is observed, it should be taken into account for randomization check.

Research team foresees three potential empirical problems – (1) randomization (2) response rate to follow-up survey and (3) compliance and cross-over – that should be checked before the impact estimation.

7.1. Response to follow-up survey

Typically, it is impossible to obtain 100 percent response rate of follow-up survey. If there is a different response rates in treatment and control groups, this differential response bias will not provide accurate estimates. In this case, the research team will use bounding procedure suggested by Lee (2009) which will produce a range of values for the impact estimate. If the response rate of treatment group is greater than the control group's response, observations with the lowest (highest) values of outcome variable will be dropped from the treatment group to obtain the upper (lower) bound for the impact estimate. If the response rate of control group is higher, observations with the lowest (highest) values will be dropped from the control group to obtain the lower (upper) bound for the effect of treatment.

Research team recognizes that equality of response rates does not mean there is no response bias. Due to randomization, there could emerge similar response biases in the treatment and control groups (Lee and Lemieux, 2009).

7.2. Analysis of compliance

Program drop-outs, no-shows and control group cross-over problems are typically expected. No shows will be solved by creating a waiting list as mentioned before. Drop-outs and cross-over will be adjusted by constructing estimates on "treatment on the treated" (TOT) as suggested in Angrist, Imbens and Rubin, 1996. By using this method, the observed basic estimate or intention to treat effect will be divided by the difference in participation rate of the treatment and control groups.

When establishing estimates of TOT, definition of "participation" for the program drop-out of the treatment is important. Research team will define the participation of the trainees by being completed a minimum period of the typical length of the training. This minimum period will differ by length of the training (from one to six weeks) and also by vocations.

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Labour Barometer Survey, 2010, MCA

Appendix

The potential users

Given the policy context around the youth unemployment in Mongolia, the project will have the following key potential users of the research findings;

- Ministry of Labour
- Employment Promotion Service Center
- Young unemployed
- Mongolian National Employers Federation
- Research Institutions

The Ministry of Labour is one of important users as it formulates and implements labour policy and regulates the relevant bodies. If the ministry uses the research findings, then they will be included in its policymaking process. The other important user is the Employment Service Center (ESC). ESC is a government agency, responsible for implementing employment promotion policies. Therefore, the agency will use the research findings in its vocational training formats and designs. The third important user is the newly established Labour Research Institute. This is a state institute responsible for labour relation research and labour policy research. Therefore, the institute is a potential user of the research tool. The team contacted representatives from all three institutes. The team consulted with them about our research and its importance for policymakers. Key stakeholders acknowledged the importance of impact evaluation of the labour promotion policy and a lack of research and study on labour market policy. They were very interested in the proposed research on impact evaluation of vocational training, randomized experiment methodology and research results. Key stakeholders showed their deep interest in the proposed research and agreed to cooperate with the team.

In addition to the policymakers and researchers, taxpayers and citizens will gain the information on effectiveness of the vocational training on youth unemployment.

Engagement and communication

The research team will be engaged and communicated continuously with the key users/stakeholders during the implementation period of the project. The key stakeholders will be:

- Ministry of Labour
- Employment Promotion Service Center
- Young unemployed
- Mongolian National Employers Federation
- Research Institutions

The team will use various types of communication methods including email-list, roundtable discussion, workshops, academic discussion seminars, national and international research conferences and media.

First, the team will organize a workshop among key users to inform about the research project and to consult about their inputs in the project. In the end of the workshop, the team will have an email-list to be used for regular communication.

During the project, the team will organize series of round-table discussions among key stakeholders to inform them about the progress of the project and potential problems to be solved.

Once the data is collected, the team will also organize academic discussion seminars and workshops including key stakeholders. At the end of the project, the team will organize a national conference on the research findings. All the ongoing processes of the research will be disseminated by media.

Expected capacity building

The research team consists of members with substantial experience in conducting sample surveys such as a simple random sample, two-stage random sample, stratified random sample and so on. Although, team members are familiar with experimental economics, they never used this technique due the high cost of the research. Conducting this study with randomized controlled

experiment, the team members will deepen their knowledge of this new research tool and will gain an experience with support from PEP-NET. The team members will not only learn an important new tool, but also gain an experience on how to do a research at international standard. Therefore, main goal of the team is to produce a high quality research and to publish a research paper. PEP-NET support for participation in PEP meetings, study visits, working paper and journal publication grants and presentations in international conferences will allow the team members to reach the goal.

The capacity building in international research is the priority research strategy of the National University of Mongolia (NUM). Therefore, the departments of the university are actively seeking opportunities to enhance their research capacity and bring their researches at international standard. Therefore, the department of economics of NUM will gain from the project through the capacity building of its faculty members.

Capacity building outside the project

During the last decade, the government has spent tremendous amount of money to implement various policies to reduce poverty, to promote employment, health and education. However, there is a serious lack of researches on impact of these policies. This research will show the policymakers and researchers an appropriate tool for impact evaluation of policies.

Besides the capacity building of the research team, the key stakeholders will have opportunities to improve their capacity building through the various engagement and communication methods. It will make a progress towards research based policy-making.