PEP research in action

Targeting youth unemployment through vocational training in Mongolia

Vocational Training Program (VTP) scheme

- **2003**: Introduced to help the unemployed & those vulnerable to unemployment
- **2012**: Ministry responsible considers replacing the scheme as has no evidence of its impact
- **2013 - 2016**: 1st randomized control trial led by local PEP researchers in Mongolia evaluates scheme

Findings

- **Vocational training programs**
  - Increase employment (13%)
  - Increase earnings (25%)
- Providing labor market information alongside technical training decreases dropout rate (5%) and improves attendance.
- Program eligibility excludes many most likely to benefit from the scheme.

**Experiment**

- In collaboration with the Metropolitan Employment Department (implementation agency).
- Randomized control trial (RCT) to understand the impact of training (alone) vs. training and information about the Mongolian labor market.
- Measures attendance, completion & dropouts during the intervention, and employment and earnings after.

Recommendations for policymaking

- Revise eligibility criteria and screening process to increase enrolment among target populations
- Revise or remove quotas for each vocation to increase youth participation
- Provide labor market information alongside training as a cost-efficient way to improve the overall program impact

Informing national policies

Throughout the project the team consulted with:

- Ministry of Labor and Social Protection (MLSP – responsible for VTP scheme)
- Metropolitan Employment Department (MED – implementation agency)
- Mongolian Employment Service Center
- State Institute for Labor Studies

MED changes VTP registration process & contract six months after the intervention begins

- Acting on team’s preliminary findings
- Simplifies registration process
- Drops “potential employer” requirement

MLSP commits to VTP policy

October 2016 – PEP national policy conference

- Deputy Minister of Labor and Social Protection states the government is revising the VTP in collaboration with the World Bank and informed by PEP team’s findings.

Mongolian government introduces evidence requirement

- Government agencies must cite research-based evidence to propose amendments to the law.
- MLSP Department for Social Welfare cites team’s findings in proposal for new labor market program for people receiving food coupons.

Research team

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PEP publications

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