

PEP research in action

Targeting youth unemployment through vocational training in Mongolia



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Vocational Training Program (VTP) scheme

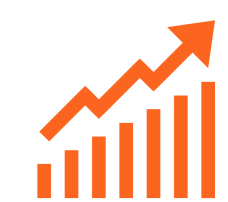
- 2003** **Introduced** to help the unemployed & those vulnerable to unemployment
- 2012** Ministry responsible considers **replacing the scheme** as has no evidence of its impact
- 2013** 1st randomized control trial led by local PEP researchers in Mongolia **evaluates scheme**
- 2016**



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

Findings



Vocational training programs

- **Increase employment** (13%)
- **Increase earnings** (25%)
- **Improve job quality** (skill match increases by 4%)



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.

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.



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.

Research team

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PEP publications

Working paper 2017-12
Policy brief 147

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