

EVALUATING THE EMPLOYMENT IMPACT OF SKILLS TRAINING FOR JOBSEEKERS IN TURKEY: THE CASE OF İŞKUR'S VOCATIONAL TRAINING PROGRAMS

Upgrading the skills of the existing labor force is crucial for creating more and better jobs in Turkey. Although the young are becoming more educated and skilled, half of the working age population still has less than basic education, while the demand for skills in formal non-agricultural sectors continues to increase. And many recent high school and college graduates do not have skills that employers demand. Skills upgrading of the existing labor force, particularly new entrants, is crucial to address the skills shortage in the short to medium term.

The Turkish Employment Agency (İŞKUR) plays a leading role in upgrading the skills of jobseekers and facilitating their access to productive employment by providing vocational training and other employment support services. İŞKUR has come a long way since 2008, significantly expanding the coverage of vocational training and undertaking reforms to improve its quality and effectiveness.

The increasing importance of İŞKUR vocational training prompted the government to commission to the World Bank a study to evaluate its impact and to identify ways to enhance it. The study evaluates a representative sample of general vocational training courses that took place between December 2010 and June 2011. The evaluation has an experimental design, exploiting the large demand for İŞKUR vocational training courses to randomly assign eligible training applicants into those who receive training and those who do not. The experimental design allows the difference in employment outcomes after the training between treatment and control groups to be attributed to training, and training only. This is the first randomized evaluation of a large-scale vocational training program for the unemployed in a developing country.

The study finds the overall impact of İŞKUR training on employment to be negligible, although courses are found to have a small but significant impact on the quality of employment: İŞKUR training increased (i) the probability of working in the formal sector by up to 3 percentage points, (ii) income from formal employment by up to 13 percent, and (iii) occupational quality.

The study finds that low levels of active job search among İŞKUR trainees may be one reason the training has little impact on employment outcomes. Improved targeting of training and improved incentives to encourage active job search are part of İŞKUR's recent reforms, and the evidence from this study lends support to their importance.

İŞKUR courses contracted to private providers, particularly those facing more competition, have a large positive impact on employment. This suggests that private provision may be one route to ensure training courses meet the needs of the labor market and hence improve their effectiveness in overcoming mismatches.

After the data for this evaluation were collected, İŞKUR continued expanding and introduced reforms to address some of the challenges identified in this study. The report builds on these good initiatives and achievements to suggest some options to further strengthen İŞKUR training and services based on the results of the evaluation and lessons from international experience, including:

- Improving the relevance of skills training, including putting more emphasis on behavioral skills
- Encourage more job search and expand employment services
- Shift the focus of resources and attention toward hard-to-employ rather the most educated jobseekers
- Increase the share of İSKUR courses contracted out to private providers and increasing competition among them, while ensuring the quality of providers and making them accountable for results through performance-based contracts.