

## Can skills training programs increase employment for young women? The Case of Liberia

**Y**oung people age 15 to 29 make up about a quarter of the world's population, yet they constitute nearly half of the world's unemployed. The World Bank is helping to increase viable employment opportunities for youth. In many countries, restrictive gender norms make it harder for girls to access training and employment opportunities. To ensure that girls and young women are included in this agenda, the Bank launched the Adolescent Girls Initiative (AGI) in 2008. The program is being piloted in eight low-income countries—including some of the toughest environments for girls. Each intervention is tailored to the country context, and includes an impact evaluation to build the evidence base to help adolescent girls and young women succeed in the labor market.

The first AGI pilot—the Economic Empowerment of Adolescent Girls and Young Women (EPAG) project—was launched in Liberia in late 2009. Preliminary results from the midline survey show that EPAG has been very successful in achieving its primary objectives—increasing employment and earnings among young women. The magnitude of the results is impressive when compared to findings from other youth training programs in developing countries. It is expected that successful economic empowerment programs like EPAG can also indirectly bring about positive behavioral changes and provide spillover benefits for the families and communities of trainees.

### THE EPAG PROJECT

Youth unemployment is one of the main obstacles to development in Liberia. The country has a very young population—more than 60% of the population is under the age of 24—many of whom grew up during the Liberian conflict (1989 to 2003).<sup>1</sup> There are few opportunities to enter in wage employment; most of Liberia's youth earn income on a day-to-day basis by trading on local markets or as day laborers in precarious conditions.

The situation of young women is particularly challenging. Boys' education tends to be prioritized by Liberian families and domestic duties (including childcare) limit young women's available time for school and work. Moreover, schools are often

unsafe for young women; they can be expected to exchange sex for grades or depend on older boy-friends to finance their education. Gender-based vulnerabilities are severe in Liberia; approximately 30% of 15 to 24 year-old females have experienced physical violence, and in 2007 rape was the most commonly reported crime.<sup>2</sup> These issues are increasingly well-recognized by the Government and gender and youth are positioned prominently in the country's poverty reduction agenda.

EPAG implementation is led by the Liberian Ministry of Gender and Development (MoGD) with a team of service providers. The program consists of six-months of classroom training

<sup>1</sup> United Nations Population Division: <http://esa.un.org/unpd/wpp/index.htm>

<sup>2</sup> The Population Council and UNFPA. 2007 Demographic and Health Survey: Adolescent Dataset.





*"[My favorite part of the training] is painting, because it is strange to see young women painting in Liberia."*

*EPAG Graduate*

followed by six-months of placement and support (including micro-enterprise advisory services and internship and job placement assistance). The aim is to smooth the transition from the classroom to wage or self employment. 70% of girls are trained in business development skills (BDS)<sup>3</sup> and 30% in job skills (JS)<sup>4</sup> targeted to sectors with high demand for workers.<sup>5</sup> All JS trainees also receive training in entrepreneurship skills. All participants receive life skills training specifically designed for Liberian girls. In addition, trainees receive small stipends contingent upon classroom attendance and are assisted in opening savings accounts at local banks. Girls who complete the training are awarded a small bonus (\$20 USD). The EPAG project also includes a capacity-building component for the Ministry of Gender and Development that has resulted in a newly created Adolescent Girls Unit to help mainstream gender-sensitive programming and policies in Liberia.

EPAG was originally targeted to young women who were i) between age 16 and 24; ii) possessed basic literacy and numeracy skills; iii) were not in school (although night school was okay); and iv) resided in one of nine target communities in and around Monrovia and Kakata City.

Community mobilization campaigns began in September 2009 and trainee recruitment took place from December 2009 through January 2010 in all nine target communities.

<sup>3</sup> BDS includes training in entrepreneurship principles, market analysis, business management, customer service, money management, and record-keeping.

<sup>4</sup> When possible, the participant's track preference was honored; however, there was excess demand for the JS track so many participants were placed into BDS.

<sup>5</sup> 1) hospitality, 2) professional cleaning / waste management, 3) office / computer skills, 4) professional house and office painting, 5) security guard services, and 6) professional driving.

#### **EPAG's innovative design elements:**

- i. EPAG is designed around girls' needs: service providers hold morning and afternoon sessions to accommodate participants' busy schedules; trainings are held in the communities where the girls reside; and every site offers free childcare.
- ii. Participation is incentivized creatively through attendance prizes, contests, business plan competitions, etc.
- iii. Girls receive support throughout the program from volunteer EPAG coaches who are based in the classrooms, as well as through peer groups of EPAG girls.
- iv. The M&E framework includes frequent and unannounced visits to ensure that service providers maintain a high-quality learning environment.
- v. Performance bonuses are awarded to training providers that successfully place their graduates in jobs or micro-enterprises.

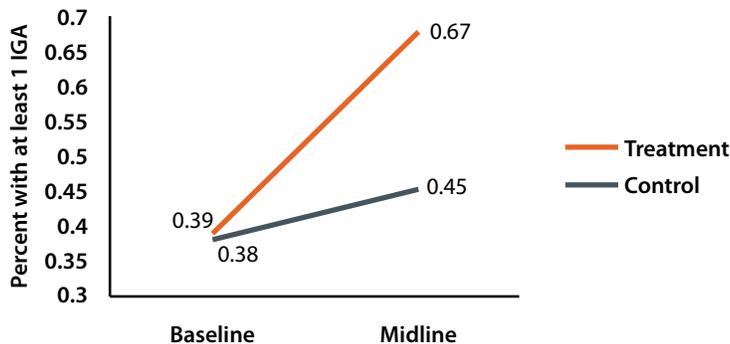
Recruitment—particularly for younger girls who were both not in school and literate—proved challenging and the age limit was raised to 27. EPAG originally recruited 2106 trainees.<sup>6</sup>

The EPAG impact evaluation employs a randomized pipeline research design in which trainees were randomly assigned to receive training in either the first round (March 2010 to February 2011) or second round (July 2011 to June 2012). Impact is defined as the change in outcomes between the time the program starts and six months after the classroom training ends, as compared to a statistically similar control group (the second round trainees). 1273 trainees were randomly assigned to the treatment group and 769 to the control. The results presented here are based on two rounds of quantitative surveys—a baseline conducted in 2010 and a midline survey conducted six months after the classroom-based phase of the training program ended in 2011.

<sup>6</sup> Additional recruitment was done in 2011 because the project was designed to train 2500 girls. Participants recruited in the second batch, some of whom also received additional literacy training, are not included in the impact evaluation.

## THE FINDINGS

**Figure 1. Likelihood of Working**



**EPAG achieved remarkable program participation.** The classroom training was held from March through August, during which the project achieved a 95% retention rate (far higher than similar programs in Liberia and elsewhere) and a high average attendance rate of 90%. Anecdotally the high participation is attributed to EPAG's innovative design elements (see box above).

**The program led to a 50% increase in employment among trainees, compared to those in the control group.** Before the first round of training, the treatment and control groups were approximately equal: about 38% of young women in both groups reported being engaged in at least one income-generating activity.<sup>7</sup> Both groups improved by the midline, but the change was significantly larger among the treatment group. The control group improved by nearly 20% (from 38% to 45%), and the treatment group improved by more than 70% (from 39% to 67%). This means that the program led to about a 50% increase in employment.

**The positive employment outcome was much stronger among the business skills trainees.** The employment rate at midline was 76% among BDS trainees and 52% among JS trainees. Both JS and BDS graduates were more likely to be involved in self-employment at the time of the midline survey than in wage employment. 50% of JS graduates who reported working were involved in self-employment (the other 50% were engaged in wage employment). For BDS graduates, 87%

were self-employed, and only 12% were wage-employed.

**The EPAG program increased average weekly income by 115%.<sup>8</sup>** Between baseline and midline, the treatment group's average weekly earnings increased by 948 LD (approximately \$13.54 USD) more than the control group's earnings.

Given that the commonly accepted minimum wage in Liberia is 25 cents per hour, an additional \$13.54 USD per week is a large sum of money. Considering only those who are working, the average earnings of the treatment group do not significantly differ from those of the control group. In other words, the impact on earnings is mostly driven by the large increase in employment rather than the earnings per se.

**EPAG significantly increased girls' savings.**

At midline, the treatment group on average had a total of \$44 USD more in savings than the control group. Given that the program helped girls open an account at a local bank, it is not surprising that savings in banks increased. In addition to saving in banks, the treatment group also reported having increased savings in informal savings clubs. The increase in savings amounted to more than the trainees earned through the program stipend and the completion bonus of \$20 USD.

**The midline survey showed no significant changes to borrowing or lending.** Only 4% of midline survey respondents reported having any loans, with no difference between treatment and control groups. Although these results are preliminary, they indicate that the economic improvements in terms of earnings and savings have thus far not led to an increased rate of borrowing or lending. This finding will be explored further in the end-line analysis.<sup>9</sup>

*"With the skills I got I am sure that if I apply for work in my area of training I will get the job, but if I do not find a job I can try to start my own business with the business training I got."*

EPAG Graduate

*"I used to braid hair and just eat the money without thinking about the future, but now I consider saving as being important for the fact that saving helps me to have some money when things become tough."*

EPAG Graduate

<sup>7</sup> An income-generating activity encompasses the full range of activities through which people earn money, e.g. wage employment (jobs), self-employment (either in a small business or through petty trade) or some combination of these.

<sup>8</sup> Respondents reported their cumulative earnings across all income-generating activities over the past week, in addition to the value of an in-kind compensation.

<sup>9</sup> For the end-line survey, the question has been reworded to explicitly ask about loans from informal sources.

## FROM PROGRAM RESULTS TO POLICIES

*"I am satisfied with the training because the training provided me with new skills and knowledge which will be with me until I die. ... I am now somebody with knowledge, value and skills."*

*EPAG Graduate*

The EPAG evaluation provides strong evidence that skills training can be an effective policy option for increasing employment among young women in Liberia. The EPAG program increased employment by 50%—a greater increase than has typically been found for similar programs. Recent reviews suggest that training programs increase the likelihood of employment by 6 to 12%, and in rare cases as much as 30%, especially among young people and women, but that most programs are not significantly effective.<sup>10</sup>

The EPAG experience validates the importance of delivering business skills training along with job and life skills training in contexts where wage employment is limited. The positive employment results are driven by the business skills trainees. In contexts like Liberia where opportunities for wage employment are limited, it is important for programs to provide basic entrepreneurship skills to all participants and to have a realistic assumption of how many trainees can be placed in wage employment.

These impressive results were achieved at a relatively high per-participant cost that reflects the holistic approach of the EPAG program and the high cost of program implementation in Liberia. Program costs are approximately \$1221 per girl for business skills training and \$1678 per girl for job skills training. Despite the high initial investment, the expected returns of the business skills training are compelling. Under realistic assumptions, it will take two years for business skills participants to increase their earnings in an

amount equal to the original investment.<sup>11</sup> For job skills participants this may take as long as eight years. The lower return on investment for the job skills training is not surprising given the limited opportunities for wage employment in Liberia. Given these challenges, EPAG is making design changes to maximize employment outcomes for future job skills trainees.<sup>12</sup>

**These preliminary results provide strong evidence for continued and further investment**

### Preliminary Cost-Benefit Analysis

Type of training	Cost per participant (USD)	Avg. monthly income increase (USD) among trainees	# Years required to cover costs
Job Skills	1678	27*	8
Business Skills	1221	75	2

**Assumptions:** 10 percent discount rate calculated monthly; persistence of income increase at a constant rate; income accruing from month 7; exchange rate of 70 LD= 1USD

**\*Note:** the increase in earnings for Job Skills participants was not statistically significant at midline.

into young women's livelihood programs in Liberia. The results will be elaborated in the coming year, and a final end-line survey will facilitate further analysis of longer-term impacts. Further analysis is planned to:

1. Determine if the program changed girls' socio-economic behaviors and outcomes;
2. Understand if the program expanded girls' empowerment and agency;
3. Explore how the results may differ among different types of girls in the program (by age, community, etc.); and
4. Gauge if the positive effects for young women also benefitted their families.

<sup>10</sup> Pablo Ibararán and David Rosas Shady. 2009. Evaluating the Impact of Job Training Programs in Latin America: Evidence from IDB funded operations. *Journal of Development Effectiveness* 1(2), pages 195-216. Betcherman, Gordon, Martin Godfrey, Olga Susana Puerto, Friederike Rother, and Antoneta Stavreska. 2007. "Global Inventory of Interventions to Support Young Workers: Synthesis Report." World Bank. Washington, D.C. Processed.

<sup>11</sup> The assumptions in this analysis will need to be confirmed and examined using the results of the end-line analysis.

<sup>12</sup> In Round Three, 82% of participants will learn business skills and only 18% will study job skills. Prior to training, EPAG will make formal agreements with select companies to provide training that is tailored to their specific needs. In return the employer will commit to hiring a set number of girls.

