

# Impact evaluation brief Social protection



Youth unemployment is one of the key global developmental challenges. According to the International Labour Organization, the situation is particularly dismal in the Middle East and North Africa (MENA) region, where unemployment rates have worsened since 2012, particularly for young women. To exacerbate the issue, nearly 85 per cent of youth in MENA do not have any type of bank account, further limiting their ability to prepare for the future. Among other things, development organisations are increasingly focused on providing interventions centred on skills training and financial education to help youth find employment and improve their financial habits. However, evidence on the effectiveness of such interventions remains limited.

This brief summarises the findings from an impact evaluation of a skills training and financial education intervention, 100 Hours to Success, implemented and evaluated by the Mennonite Economic Development Associates (MEDA) in Morocco, and aimed at promoting better economic outcomes for adolescent men and women aged 15 to 25 years.

### **Main findings**

- Employment: The training did not systematically affect long-term labour market outcomes or choices related to educational attainment for females and younger and less affluent participants.
- Education: Male participants, older participants and participants from more affluent households were more inclined to stay in education and outside of the labour force.
- Financial behaviour: Participants did not report maintaining a budget or keeping a record of personal finances. The training however increased the likelihood of them keeping a savings account, though this did not translate into having more savings. The effects of the training were found to be stronger for women. More affluent participants were also more likely to take out a loan.
- Life skills: The training did not have any long-term effects on participant's self efficacy (the belief in their own ability to succeed) and their self-reported capacities about leadership, team work, problem solving and willingness to take risks.

#### The intervention

The primary objective of the 100 Hours to Success intervention was to empower young people in Morocco to participate effectively in the economy. The training sought to build confidence and self-efficacy among participants, improve their capacity to manage personal finances, and increase their knowledge of business fundamentals for starting an entrepreneurial activity. To this end, the training had three modules, one each on life skills, financial education and business and entrepreneurship training.

MEDA designed the training to be delivered in a flexible manner across the three modules. The courses were scheduled over a period of one to three months, depending upon the participants' availability. In practice, most classes ran for nearly three months, and were held once or twice a week. MEDA provided trained instructors or youth extension officers for classes held at existing youth centres and vocational training facilities. Participants were expected to attend all sessions and complete all components of their training. Those attending at least 75 per cent of sessions received a certificate of completion.

Randomisation for the impact evaluation occurred in two waves. Initially, 600 youth were offered a spot in the training. Another 315 youth joined four months after the first cohort started classes. In total, the study assigned 915 youth to a treatment group and 900 individuals to a control group. The baseline data was collected in October 2012. Training was completed by August 2013 and follow-up data were collected between August and October 2015.

## Lessons for future research and programming

The evaluation assessed if providing financial education and soft skills and business training to the youth facilitated their financial inclusion and integration into the economy through work.

Though the training did have some positive impacts, it did not increase labour market participation. More accurate targeting of beneficiaries might help improve the impact of training. For example, programme implementers might decide to offer the programme to those at the end of their educational careers. This could be combined further with careful screening of participants based on ambition and aspiration to determine the likelihood of their successfully applying the training.

Additionally further research can help identify the key constraints to facilitating a successful transition from school to work. This potentially could include evaluating the gains from focusing on education and training instead of seeking labour market experience early on. Future research could also contribute to fine-tuning the training curriculum, focusing on building evidence on the appropriate mix of soft and technical skills and validating if soft-skills training only produces short-lived impacts.

# About this impact evaluation

This brief is based on *The impact of skills training on financial behaviour, employability and educational choice of youth in Morocco, 3ie Impact Evaluation Report 54* by J Bausch, P Dyer, D Gardiner, J Kluve and E Mizrokhi.

#### **About 3ie**

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