TURKEY: Do job training programs help people find jobs?

Do the jobs pay enough to justify the costs of the training programs? Who provides the best courses—private firms or state organizations? Policymakers and researchers are looking for answers to these questions and more in order to understand how to create programs that work best.

The World Bank is committed to helping countries meet the United Nations Millennial Development Goals, and improving employment opportunities is part of this. In Turkey, researchers from the World Bank worked with the government to evaluate the impact of the Turkish National Employment Agency’s (ISKUR) vocational training program to reduce unemployment. The impact evaluation found that vocational training didn’t improve people’s chances of being employed three years later, despite a small short-term improvement the first year. The evaluation, one of first randomized experiments of a large-scale training program for the unemployed, also found that trainings offered by private providers, particularly private providers facing more competition, had a larger impact than those from the government. Based on the results, the government increased courses by private providers and took steps to ensure the quality of the offerings. The government also added job search assistance, improved employment counseling, increased efforts to enroll beneficiaries of social assistance programs who are able to work, and offered incentives to those beneficiaries of social assistance who actively search for a job after the course.

Nearly a million people enter the labor force every year in Turkey, a middle-income country with a population of 75 million. Despite a strong economy, the country has struggled with reducing unemployment and improving the overall labor force participation rate, which is almost 20 percentage points lower than the European Union average of 64 percent. The 2009 global financial crisis worsened the situation in Turkey (as it did elsewhere), especially for job-seekers under the age of 25. Unemployment among youth aged 15-24 rose to 25.3 percent in 2009 from 20.5 percent in 2008, while overall unemployment was 14 percent in 2009, compared with 11 percent in 2008.

In an attempt to improve employment prospects, the government expanded its free vocational job training programs to enroll 250,000 people by 2011, up from 32,000 in 2008. The training courses, offered in all of Turkey’s 81 provinces, are available in a wide range of fields, including services, mechanics and computers. The courses are offered by both pri-

Context

Jobs are critical to ending the cycle of poverty because they give people the opportunity to support themselves and their families. But new entrants into the labor force or the unemployed may not have the right skills or training to fill the jobs that are available. Policymakers focused on helping people move into the workforce often turn to vocational training and retraining programs. But do these actually improve people’s chances of finding work?
The trainings were so popular that in many cases, more people registered than there were slots. Researchers were able to use the oversubscription as a means for carrying out a randomized control trial to measure the program's effect. Researchers started with 39 provinces that had at least two significantly oversubscribed courses. The 39 provinces were divided into two groups—those above and below the median unemployment rate at the time—and then 10 provinces were randomly picked from each group. Three other provinces, Antalya in the south and Gaziantep and Diyarbakir in the southeast, were included at the request of the government agency to represent varying labor market conditions.

In the 23 provinces, the evaluation team worked with regional employment officials to identify courses that were likely to be oversubscribed and they included a mix of public and private providers. In total, 130 courses were identified. Providers were asked to pick at least 2.2 times the number of applicants for whom they had slots, giving the researchers the opportunity to create control and treatment groups. After being stratified by gender and age (under or over 25 years old) the applicants were randomly assigned a slot, no slot, or they were waitlisted. Of the 5,902 applicants, 3,001 were assigned to the treatment and 2,901 to the control groups. The evaluation covered courses that ran sometime between the last three months of 2010 and ended no later than May 2011. A baseline survey was conducted either before the course started or within 11 days of it having started. The follow up took place about a year after the specific course ended. Researchers did a further follow up almost three years after the end of each course by tracking participants through worker payments filed with the national social security system.

None of the applicants were told about the evaluation. Instead, they told they were being surveyed as part of an effort to improve training services.

The effects of the program were small but significant in the first year. There was a three percentage point increase in formal employment—compared with a 29 percent formal employment rate for the control group—among those who took a training course. This disappeared by the third year, when data showed that about 66 percent of people...
from both groups had held a formal job at some point in the post-training course period.

**Initially, people who took courses provided by private firms appeared to have better employment rates than people who were in state-run programs, but this disappeared at the three year mark.**

Training through private courses resulted in a four to six percentage point increase in employment after one year, as compared with public courses. But this increase narrowed to 2.5 percentage points at the three year mark, which wasn’t statistically significant. Researchers also noted that private course providers self-select who enrolls in their classes, making it hard to draw any interpretations from even this short-term gain.

**Training also didn’t give participants higher expectations for the future.**

One year after the courses ended, both the control and treatment groups were fairly optimistic about their futures, believing that their households would be better off economically five years later. They also shared the same outlook on their own chances of employment, with 54 percent of the control group and a similar percent among the treatment group thinking that they would have a job in two years’ time.

**The lack of impact didn’t have anything to do with course duration or staff quality.**

The fact that the courses didn't have significant impacts on employment isn't because courses were too short. In fact, longer courses had less impact than short ones, possibly because people were so busy getting trained that they had little time to apply for jobs. The evaluation also found that the impacts had nothing to do with the education or experience of the instructors.

**Nor did this indicate that people weren’t attending classes.**

Around three-quarters of those selected for training programs continued to attend after the second day, and 72 percent completed their courses. Although initial analysis relying on administrative data from the social security office showed a longer-term positive impact on employment for courses with higher attendance, this didn’t hold up on further analysis.

**When balanced against each other, the earnings of people who went through the training didn’t justify the cost of the training.**

The cost of a training program was about 2,692 Turkish lira (about $1,600) for each person in a public course and about 2,429 Turkish lira (about $1,800) for the private course, both of which includes the small daily stipend participants received. People who went through the training did show a slight increase in later earnings of an extra 26 Turkish lira (about $15) a month, which isn't statistically significant. At this rate, it would take 93 months for the income gain to offset the cost of the course. But as the impact of the training, which includes the income gain, doesn’t last more than one and a half years, the cost of the course wouldn’t be made up by extra earnings.

The private courses did a little better in the cost-benefit analysis. People enrolled in those courses earned on average an extra 66 Turkish lira (about $39) a month, and the impacts from private courses lasted about two and a half years. The cost still outweighed the benefit, but based on this, the employment agency has put more emphasis on courses provided by private firms.
Conclusion

As policy makers continue to develop programs for the unemployed, the findings from this impact evaluation can highlight some of the challenges—as well as opportunities—of vocational training programs. Indeed, the findings point to the program’s ability to provide short-term relief to people who need it, but as a whole, this evaluation serves as a cautionary tale about long-term effectiveness. It also underscores the importance of private training programs—which offer key incentives, as well as the ability to respond quickly and efficiently to market demands. The lessons from this impact evaluation will help policy makers in Turkey and elsewhere move forward to create even more effective programs that give unemployed people the skills they need to succeed.

The Strategic Impact Evaluation Fund, part of the World Bank Group, supports and disseminates research evaluating the impact of development projects to help alleviate poverty. The goal is to collect and build empirical evidence that can help governments and development organizations design and implement the most appropriate and effective policies for better educational, health and job opportunities for people in developing countries. For more information about who we are and what we do, go to: http://www.worldbank.org/sief.

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