

VOCATIONAL SKILLS TRAINING IN PUNJAB

The Success of Smart Policy and Implementation

Collaboration between researchers and policymakers led to successful development and implementation of evidence-responsive vocational skill training programs in Punjab, Pakistan

Approximately two-thirds of Pakistan's population of 180 million are under 30 years of age, and millions of young workers are expected to enter the job market every year over the next two decades. However, given current training levels, only 3% are formally trained in the right kind of skills to meet employers' needs.

To address challenges to vocational training in Punjab, Pakistan's most populous province, the Government of Punjab and the British aid agency the Department for International Development (DFID) created the collaborative Punjab Skills Development Fund (PSDF). Their aim was to stimulate a market for training services and provide quality skills and vocational training opportunities to the poor and vulnerable populations of Punjab, particularly women and other marginalized groups, in order to improve livelihood prospects.

Seeking to use rigorous research to design programs and policies based on evidence, PSDF partnered with economists at the Center for Economic Research Pakistan (CERP), Evidence for Policy Design (EPoD) at Harvard Kennedy School, and Princeton University. Using the method of Smart Policy Design and Implementation, the collaboration between researchers and policymakers resulted in meaningful discoveries and successes in the skills training market and increased demand for evidence-based policymaking in the government

The Approach: Smart Policy Design and Implementation

SPDI centers around five primary steps: identify, diagnose, design, test, and refine. Underlying this problem-driven, collaborative approach is a unified motivation to both optimize public policy and improve the lives of the poor.

Fundamental to the SPDI process is a collaboration between researchers, public sector employees, and the donor community. In Punjab, researchers and affiliated academics from CERP provided the evidence for the design and redesign of the program, members PSDF served as essential policymakers, and donors such as DFID and IDRC contributed integral support to the entire project. Together the three groups succeeded in providing vocational skills training programs and improving the incomes of those in the poorest districts of Punjab, particularly through the economic empowerment of women.

The SPDI process is cyclical; when implemented, researchers and policymakers can expect many iterations of customizing the policy to the context, identifying new problems, and designing solutions.



Stage 1: Identify the problem

The first and most important step of the process is to identify the correct, precise problem. In order to achieve inclusive growth by improving the skill base of the Punjabi population, PSDF and the research team worked to fully understand the skilled labor market and the market for skills training. In the Punjab context, employers sought skilled labor to meet the needs of shifting industry sectors, which were moving away from agricultural work towards more technical work due to the rise of industrialization and mechanization. The workers in the labor market fell short of this demand and were unable to meet most of the skill qualifications that employers required, yet if they sought training to improve their job prospects, they found inadequate supply of training programs.

Step 2: Diagnose underlying causes

In order to diagnose where the issues in the skills market in Punjab stemmed from and to inform the design of PSDF vocational training programs, CERP launched a set of surveys of households, trainers and employers. Demand for skills training among individuals appeared to be high – 90% of respondents in the household survey stated that at least one household member would attend a training if it was offered. However, there appeared to be a mismatch between the kinds of training needed and the training supplied. Many respondents lacked basic numeracy and literacy skills and had not attended school. This was particularly true of women. Yet, a majority of the training courses required basic schooling as a prerequisite (see figures 1 and 2).

Step 3: Design policy solutions that are both high-potential and feasible

With the right information collected, policymakers and researchers can move forward in creating a solution. Based on the identified market mismatch from the surveys, PSDF worked with training institutions to adjust their education qualification requirements, ensure literacy and numeracy components were included in trainings, and designed and launched a pilot of a diverse set of courses to attract different segments of the population.

Step 4: Implement and test

Next, solutions are carefully tested through implementation and rigorous evaluation. Researchers designed an evaluation of these courses to test their impact on earnings, employment and participation of women and marginalized groups in the labor market. In this evaluation, randomly selected individuals in target districts were offered vouchers to enroll in training courses. However, in spite of the previously observed high demand for skills training, only 5% of individuals who received vouchers actually enrolled in and completed courses. In fact, for target groups like women and the poor, the use of vouchers was even lower than average. CERP raised the concern that the program would not help the average beneficiary, since so few would take advantage of the voucher opportunity.

Step 5: Refine

In order to optimize the impact of a program using SPDI, researchers and policymakers must assess the flaws in their design and work to correct them. By collecting and reacting to feedback on the program, team members can take this new data to run the SPDI process again.

The evidence on the low redemption rate of vouchers clearly indicated that the program was not likely to be successful at scale, particularly among women. Therefore, the research team and PSDF embarked on a series of pilot experiments that specifically addressed the accessibility challenges among women.

Repeating the process: Steps 1–5 again

In complex and constantly changing environments, it is almost impossible to design the right policy solution the first time; thus it is imperative to continually return to the proposed policy and improve the project design based on collected feedback and impact. The data revealed that the social and financial costs of travel to and from training centers were a problem (**Identifying the Problem**) that constrained women from enrolling in training courses. CERP further diagnosed the causes (**Diagnose Underlying Causes**) through field visits to rural households involving interviews and focus groups with women, which then helped PSDF to design interventions (**Design Solutions**) to alleviate those constraints. PSDF expanded its pilot training program for rural women to a much larger sample and to a wider variety of treatments, as identified through CERP's qualitative research efforts. PSDF implemented this expanded program and collaborated with CERP to evaluate (**Implement and Test**) voucher take-up by randomly varying access to:

- *Physical distance*, tested by setting up training centers in selected villages
- *Safe and reliable transportation*, tested by offering the option of free group transportation
- *Information*, tested by distribution of leaflets and holding informational sessions with trainees
- *Social norms*, tested through community mobilization efforts
- *Financial stipends*, tested by offering various levels of stipends to trainees

As a result of their collaborative research with PSDF, CERP was able to pinpoint the challenges to improving enrollment among marginalized groups, as well as solutions. The most effective approach was in-village training, raising voucher take-up as high as 50%. In second place – but at half the impact – was group transportation. Information and community support did not have any effect.

Research is still ongoing and the researcher-policymaker collaboration between CERP and PSDF has continued using the SPDI framework. For example, knowing that the access problem is prohibitive for rural women in particular, the team reasoned that those same women might lack access to markets in which they would be able to profit from the fruits of their labor. This view was corroborated by follow-up surveys and field interviews revealing that few women were selling products in the market. This may hamper returns to training, so PSDF has introduced an intervention to relieve market access constraints for rural women trained in the previous intervention.

No systems of solutions can be perfect, but smart systems with feedback loops based on data and evidence will optimize policy goals and impacts, reducing poverty and leading to improvement in the quality of life among the poor. The correcting nature of this process has enabled researchers to address the unexpected low enrollment rates among women, design possible solutions, and change the program in a way to reach poor, rural women most effectively.

Figure 1. Providers' minimum education requirements

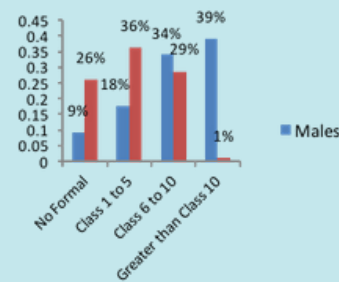


Figure 2 Trainees' Education Profile

