

IDE Research Bulletin

Research project summary based on papers for academic journals
with the aim of contributing to the academic community

Vocational Education and Employment

Project Leader

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Background and Objective

Vocational training has become an important policy agenda for poverty reduction with expectation of assisting employment for the poor and young. While policy has been enhanced in many developing countries, few studies have investigated performance of vocational training, in particular training in a part of the education system. This project aims to demonstrate mechanisms that vocational education in low-income countries makes young people to be more employable through literature reviews and, investigate gender gaps in performance of the skills assessments in Ethiopia, given the recently introduced national skill certificates, which deliver signals of trainee's skills to employers.

Summary of the Papers

Toward an Integrated View to Vocational Training and Industrial Development under Frictional Labor Markets: A survey (in Japanese)

Tomohiro Machikita (Development Studies Center)

Abstract: This paper reviews the empirical and theoretical researches on public- and firm-sponsored training from the viewpoints of industrial development with frictional labor mobility. Training literature including vocational or firm-sponsored training and literature on industrial development are two main important fields that have intensively studied separately in labor and development economics, but the recent researches have been starting to integrate these two. This paper addresses that consequences of the integrated approach can vary with labor market frictions: the relative importance of vocational training for industrial development can differ across frictional labor markets. Then, this paper discusses the usefulness of the recent research with the integrated approach to training and industrial development. This paper concludes with a list of research questions that the integrated approach may challenge.

Gender Gap in Skill Assessment with Multiple Attempts: Evidence in Ethiopia

Takahiro Fukunishi (Area Studies Center)

Abstract: In many skill assessment programs, applicants are allowed to take a test more than one time. Under the program with multiple attempts, gender gap in assessment results is generated by a gap in average performance of applicants and average number of retakes. In this paper, analytical framework to understand gender gap in multiple attempts and retake decision is examined, and its empirical application is presented using the assessment database in the skill assessment program in Addis Ababa. Specifically, gender gaps in performance (pass rate at single assessment) and retake probability are estimated, and we found substantial gender gap in retake probability as well as performance, which prevented the assessment program from narrowing gap through multiple attempts. Main source of the gap in retake probability is lower performance of female applicants, which discouraged them to retake. However, the estimates also indicate that women's disadvantage in social and economic conditions will be important when their performance improves.

Findings of this project

Despite growth of attention in training policy, there are some critical issues that need to be understood to develop national framework of skills development but are not examined well. One is about the relationship between vocational training at institutes and training in firms. The other is that given large informal sector and limited employment opportunity in formal sector, whether programs train skills necessary for self-employed workers or workers who works in division of labor. Through the review of theoretical and empirical studies, the first paper summarizes the latest insights relevant in low-income countries. It showed the condition that firms have incentive to provide training of standardized skills in addition to firm-specific skills, and suggests that training institutes need to design its program reflecting firm's incentive of in-house training, which changes by friction in a labor market. In addition, the paper stresses importance of entrepreneur training given no advantage in factory work in income and working conditions over self-employment and, accordingly, high-orientation towards self-employment, citing a study in Ethiopia.

The second paper investigated a potential problem of skill assessment program with multiple attempts that are common in the world. It suggested that gender gap exists not only in achievements in training but in motivation of retakes; female applicants are disadvantaged in both. Because of this, the assessment program in Ethiopia did not narrow

gender gap in final pass rate despite that advantage of multiple attempts is to give more chances in failed applicants and reduces a gap. Female's motivation of retake is lower mainly because of lower performance in the last assessment that gives lower expectation in pass probability. Therefore, the gap will be most effectively reduced by enhancing training of female trainees. However, the analysis also indicates social and economic conditions of young women are also associated with retake motivations and will be more important when their learning performance improves.