

Effects of Vocational Training on Wage Income for Villagers: the Evidence from Rural China

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ABSTRACT

Applying a heterogeneous treatment effect model, this paper estimates the treatment effects of vocational training in rural Guangdong province in China. We find that (1) the unobservables, such as how the training programs are planned, organized, evaluated and motivated, play an important role for the villagers to decide whether or not to participate the training programs; (2) those who are most likely to participate benefit the least from the programs and those who are not likely to participate benefit the most; (3) the treatment effect for the treated is lower than the average treatment effect and the latter is lower than the treatment effect for untreated. The empirical result suggests the training programs should help the villagers with observed and unobserved characteristics that make them the least likely to increase their non-farming incomes without training.