Job Training and Matching to Increase Youth Employment in Egypt

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Sector(s): Gender, Labor Markets

Location: Egypt

Sample: 732 individuals

Target group: Job seekers Youth

Outcome of interest: Earnings and income Employment Empowerment Women's/girls' decision-making

Intervention type: Apprenticeships and on-the-job training Business skills training Coaching and mentoring Job counseling Recruitment and hiring Training Soft skills

Partner organization(s): Micro, Small and Medium Enterprise Development Agency (MSMEDA), World Bank, European Union (EU), Alashanik Ya Baladi Association for Sustainable Development (AYB-SD)

Globally, and in Egypt in particular, youth experience unemployment at much higher rates than other age groups. Researchers conducted a randomized evaluation to determine the impact of job matching, job training, and counseling programs on youth employment in Egypt. The job training programs improved labor market outcomes such as employment, particularly for women. However, the intervention did not have a significant impact on non-labor market outcomes in the short term.

Policy issue

Globally, youth experience unemployment at higher rates than other age groups. Active Labor Market Programs (ALMPs) aim to support youth employment. These short-term programs vary widely in their design and delivery, and may provide business, vocational, or soft-skill training; coaching; counseling; job search assistance; job matching assistance; or capital—all with the goal of helping youth enter the labor market, either through finding wage employment or starting their own businesses.

Evidence on the impact of ALMPs on youth labor market outcomes such as employment and income, or on non-labor market outcomes such as empowerment, is limited and mixed. Although previous research suggests that ALMPs do tend to improve labor market outcomes, these impacts are typically small—however, impacts are usually larger in low- and middle-income countries than high-income countries. There is not yet a clear understanding of which type of program design works best.

Context of the evaluation

In January of 2011, as part of the Arab Spring movement taking place across the Middle East, protests in Egypt led to the fall of the regime of then-President Hosni Mubarak. In the following years, the unemployment rate rose from 9 to 13 percent (a 44 percent increase). Unemployment especially affected youth: the youth unemployment rate has remained 35 percent, on average, since 2011.

Promoting youth employment is therefore a policy priority in Egypt, but the Middle East and North Africa is the region with the least evidence on youth employment. From 2014-2017, the European Union financed the Emergency Employment Investment Project (EEIP), administered by the World Bank and implemented by the Micro, Small, and Medium Enterprise Development Agency (MSMEDA). The grant financed pilots implemented by NGOs focusing on employment; these pilot projects were chosen via a competitive selection process. Overall, the interventions targeted the following groups: youth (typically ages 18-29), individuals out of school and work, groups with specific barriers to entering the labor market (e.g., individuals with low levels of education, individuals with disabilities, young women, and those with no prior work experience), and the residents of Egypt's poorest districts. The participants in this study were 80 percent female and 26 years old on average. 40 percent had gone to a vocational high school, and 12 percent had a university degree. Very few (0 to 2 percent) earned any income at the beginning of the intervention.

J-PAL affiliated researchers evaluated two such NGO-implemented ALMPs. A summary of one program, implemented by Alashanik Ya Baladi Association for Sustainable Development, can be found below; a summary of a similar program (implemented by Together Association for Development and Environment, which provided job training and capital assistance) can be found here .

A smiling girl reaches for handmade decorations under a thatched roof in Egypt.

Photo credit: Shutterstock.com

Details of the intervention

Researchers partnered with the NGO Alashanik Ya Baladi Association for Sustainable Development (AYB) to conduct a randomized evaluation to determine the impact of their ALMP on labor market and non-labor market outcomes among youth in

Egypt.

AYB randomly assigned 250 individuals to treatment group 1 (who received job matching and skills training), 241 individuals to treatment group 2 (who received job matching, skills training, and individual counseling), and 241 individuals to a comparison group (who received no services).

AYB focused on increasing participants' wage employment. AYB contracted with private sector employers who had jobs to fill and offered these job opportunities to youth in both treatment groups. AYB paid employers a subsidy on the condition that the employers provided on-the-job training and signed formal work contracts with the trainees. The on-the-job training was implemented by the firms with whom participants were matched. It was conducted at the workplace and lasted between seven and 41 days, according to job type. The training aimed at improving the technical competence of participants by providing technical and vocational training. The soft skills training consisted of four days of personal and life skills instruction and was conducted by AYB.

In addition to soft skills training, on-the-job training, and job matching services, treatment group 2 also received one-on-one counseling. Participants attended six 30-60 minute sessions, either at work (on their break) or on the phone after work hours. The sessions focused on life and work goals.

Researchers returned between 4 and 14 months after the intervention occurred to measure both labor market and non-labor market outcomes.

Results and policy lessons

Researchers found that the ALMP improved labor market outcomes for participants. However, the results for non-labor market outcomes are less clear, and overall wealth was not increased by the program. Furthermore, researchers did not find a significant impact of the addition of counseling relative to receiving the intervention without further counseling.

Labor market outcomes: Researchers measured impacts of the intervention on employment, working hours, monthly income, and overall wealth. Employment increased among both treatment groups by 12 percentage points (a 34 percent increase) overall. Similarly, working time increased slightly for both groups, although this impact was only significant for treatment group 2, whose weekly working hours increased by 3.6 hours relative to the comparison group. However, the impact of the intervention was concentrated among women. While women's employment increased by 15 percentage points (a 44 percent increase), men did not experience gains in employment. Monthly income increased by 99 EGP ($5.45 USD) for treatment group 1 and 104 EGP ($5.72 USD) for treatment group 2 (a 35 and 36 percent increase, respectively) compared to the comparison group. However, participants' overall wealth did not change.

Non-labor market outcomes: Although some evidence suggests that participants may have been less likely to want to migrate and more likely to report being happy than their counterparts in the comparison group, these results are not statistically significant. Additionally, the same percentage of treatment and comparison group members reported feeling empowered to decide how to spend their own money, suggesting that the intervention did not have an empowering effect on women.

Coupled with results from the related evaluation, these results suggest that ALMPs can facilitate young people's introduction to the labor market and may be particularly useful for already disadvantaged groups such as women and youth coming from especially poor areas. A limitation of this work was the short timeframe over which the follow up data were collected, as the counseling may have needed more time to show impacts. However, future research should continue to explore what types of programs are most effective, for which parts of the population, and under what conditions.