



A class in a nursery. Photo credit: Mai Osama

POLICY BRIEF

Childcare subsidies and employment services in Egypt

Featuring an evaluation by
Stefano Caria, Bruno Crépon, Caroline Krafft, and AbdelRahman Nagy

March, 2026

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Abstract

Women's employment in Egypt remains among the lowest globally, constrained by disproportionate caregiving responsibilities, limited job opportunities that match women's preferences, and restrictive gender norms. To address these barriers, J-PAL MENA-affiliated researchers, in collaboration with the World Bank under the MENA Gender Innovation Lab, conducted a randomized evaluation with 5,000 mothers of young children (aged 0–5) in low-income areas of Greater Cairo, embedded in an existing Ministry of Social Solidarity program. The evaluation tested whether childcare subsidies (25 or 75 percent discounts on nursery fees, later raised to 100 percent) and employment services—delivered separately or in combination—could increase women's labor market participation. To further encourage use, researchers introduced additional variations including nursery visits and time-limited financial incentives for mothers or fathers.

Take up of childcare subsidies was low (around 11 percent), and employment services did not improve women's employment outcomes, largely due to mismatches between available jobs and women's preferences, as well as restrictive social norms. The findings highlight that childcare subsidies alone are not sufficient to increase women's employment. Policies to improve women's labor force participation in Egypt should pair childcare support with efforts to improve childcare quality and availability, expand flexible and women-friendly job opportunities, and address deeply rooted gender norms.

Background: Policy Issue and Context

As of 2023, 45 percent of women globally were employed compared to 68 percent of men (International Labour Organization 2023). Gender gaps in employment are even starker in the Middle East and North Africa. In Egypt, 69 percent of men were employed, and 15 percent of women were employed in 2023 (Krafft and Li 2024). When women marry and form families, their employment rate continues to fall (Krafft, Assaad, and Keo 2022; Selwaness and Krafft 2021; Assaad, Krafft, and Selwaness 2022).

Achieving gender equality requires closing these persistent gender gaps in employment, but disproportionate caregiving responsibilities may limit Egyptian women's employment. For instance, women do twelve hours of unpaid care work for every hour men do in Egypt (Economic Research Forum and UN Women 2020).

The literature on the determinants of women's employment in MENA highlights the importance of meeting household needs, including care responsibilities (Spierings, Smits, and Verloo 2010). Access to childcare is a critical enabler of women's employment, freeing time, expanding work choices, and boosting productivity when other barriers are also addressed (J-PAL Policy Insight 2023). Job opportunities and their suitability are also a crucial driver of women's employment and equality in the region (Krafft and Assaad 2020; Spierings, Smits, and Verloo 2010).

A randomized evaluation conducted by Stefano Caria, Bruno Crépon, Caroline Krafft, and AbdelRahman Nagy tested whether integrated support combining access to nurseries with job search assistance could enhance women's labor market engagement by helping address both childcare needs and employment constraints facing married women with nursery-aged children in Egypt.

Evaluation

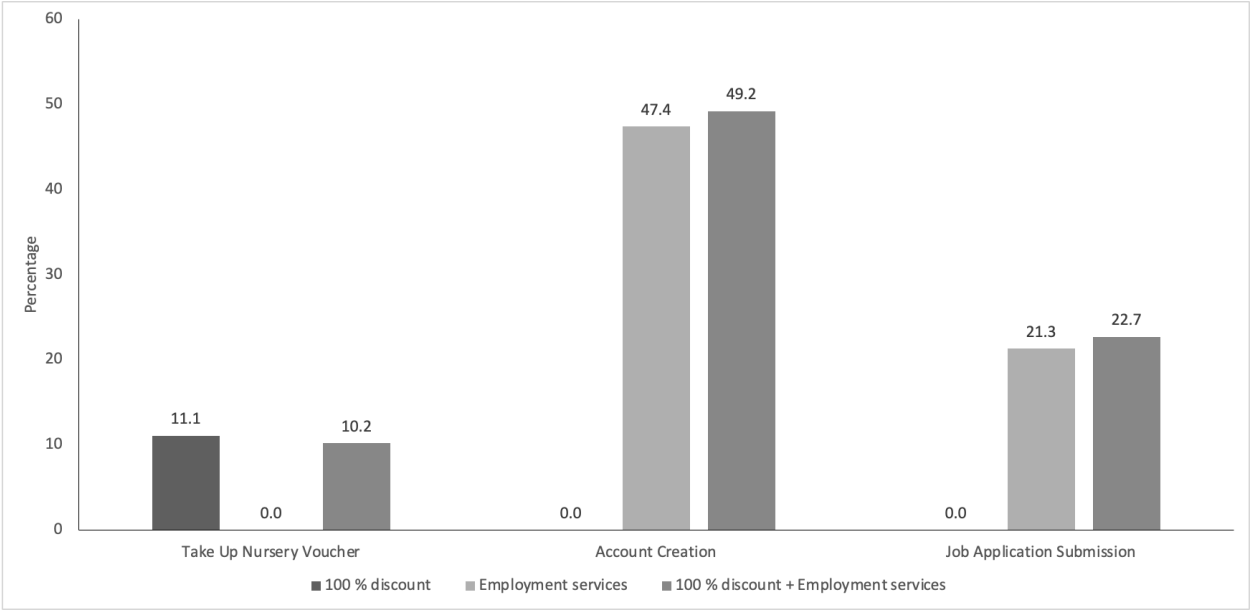
Between 2019 and 2023, a randomized evaluation was conducted in low-income areas of Greater Cairo, Egypt to assess an existing government program implemented by the Ministry of Social Solidarity (MoSS). The program, widely viewed as effective within the local policy environment, aimed to help women with young children access childcare and employment opportunities.

Within low-income neighborhoods, researchers identified 42 formal nurseries registered with the MoSS and 5,000 mothers of young children (aged 0–5). Nurseries randomized into the treatment group were offered a voucher that provided subsidies to mothers to cover part of the cost of childcare. The nurseries that agreed to participate were then surveyed to collect capacity data. The evaluation randomly registered nurseries to receive either a 25 percent or a 75 percent childcare subsidy (these subsidies were vouchers, which were subsequently raised to 100 percent subsidies). It also independently assigned employment services to help women find and apply for jobs, enabling researchers to assess the individual and combined effects of both interventions. While eleven percent of the women were working at baseline, among the unemployed, forty percent wanted to work, and 46 percent of women who wanted to work reported childcare as the primary barrier to employment.

Key Findings

Take up of childcare subsidy vouchers reached around 11 percent over the study’s one-year period, even though all households had nursery-age children and lived within two kilometers of a nursery. Providing employment services alongside vouchers did not increase nursery enrollment. On the employment side, many women showed initial interest, with 47 to 49 percent creating an account on the job-matching platform, but about one-fifth went on to submit a job application, and only four participants ultimately secured a job through the service. At the end of the study, employment rates remained similar across all groups, with around 18 percent of women employed, indicating that neither vouchers, employment services, nor their combination improved labor market outcomes. (Figure 1)

Figure 1: Ever take-up of nursery vouchers for childcare, employment services account creation, and employment services’ job application submission by treatment arm (reported in percentages).



Why did the employment services lead to little employment?

Women who did not apply to jobs often cited reasons such as not being interested (20 percent), their husbands’ refusal (18 percent), their own preferences not being matched (16 percent, e.g., needing a part-time job), and the locations being too far (14 percent). Women also often declined interviews when invited (85 percent) or declined job offers.

Women declining to apply, interview, or accept jobs from the employment services may be partly due to a mismatch between their preferences and the jobs available. The employment services had data on women’s backgrounds and preferences and worked to find vacancies that matched as much as possible. However, the types of jobs women preferred were not necessarily available. For instance, 10 percent of vacancies were for indoor sales roles, which 20 percent of women said they would be willing to accept at the beginning of the study. Some job characteristics, such as commute time, wages, or social insurance coverage, were matched nearly half the time. However, other preferences were not well matched, such as 80 percent of mothers preferring part-time work, but less than 1 percent of open jobs were part-time.

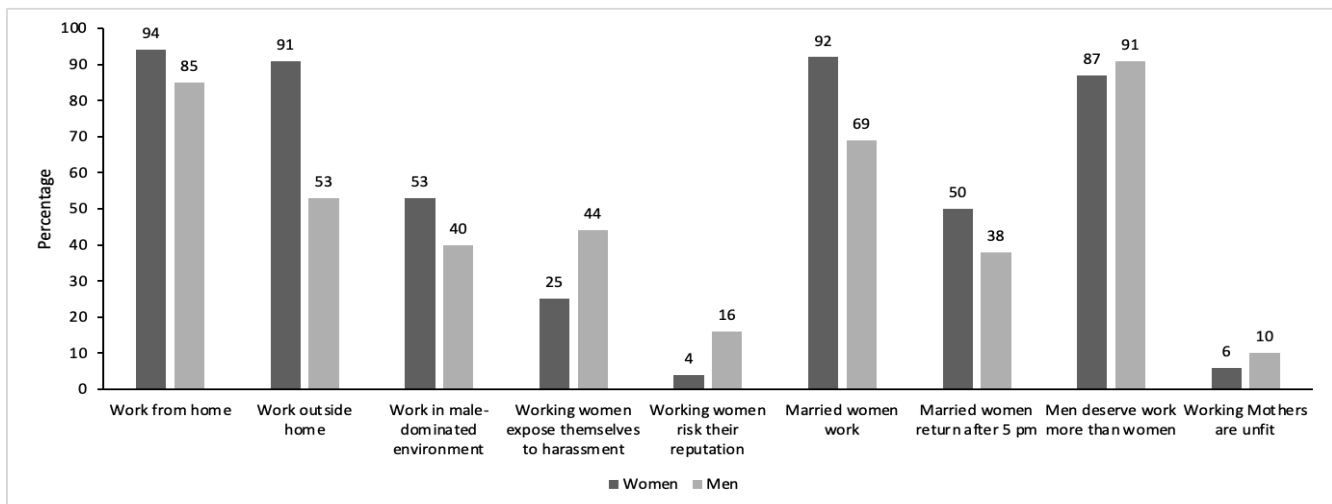
Why was there limited take-up of childcare vouchers?

Mothers cited various reasons for not using the vouchers, such as the nursery being too far away, the child being too young, and concerns with the quality and safety of the nurseries. Observational data on the nurseries suggest that while some nurseries were safe (e.g., 100 percent had hand soap and running water), the quality was often mixed in other respects. For instance, 54 percent of nurseries had yard space for play. Nurseries also offered limited standard hours of care: most commonly six hours per day, although many nurseries offered more hours at an additional cost.

Restrictive gender norms in Egypt may have constrained the use of both subsidized vouchers for nurseries and employment services, which underpinned a mismatch in the labor market between the jobs available and the jobs women were willing to apply for and accept. While 71 percent of mothers identified public sector positions as most desirable, the employment services offered only private sector jobs. Furthermore, 80 percent of mothers preferred part-time work, but less than 1 percent of available jobs provided this option. Mothers also valued jobs with social insurance (71 percent), and notably, 80 percent of vacancies included this benefit. Regarding the occupation mismatch, administrative assistant roles were the next most preferred (55 percent), but 14 percent of vacancies fell in this category. In contrast, the most common type of job offered was in services and sales (15 percent of vacancies), but 16 percent of women expressed willingness to accept such positions. In contrast, wage expectations aligned reasonably well; the average offered wage exceeded the average reservation wage, though women's preferences were diverse, with some seeking higher-than-typical salaries and others open to the prevailing wage range.

Social norms directly played a critical role in this mismatch. While 94 percent of women and 85 percent of men supported women working from home, there was less support for married women working (92 percent of women and 69 percent of men) or women working outside the home (91 percent of women and 53 percent of men). Work conditions were particularly important for whether it was acceptable for women to work, as 40 percent of women and 53 percent of men thought it was acceptable for women to work in a male-dominated environment. A similar number of people thought it was acceptable for married women to work and return after 5:00 pm. Likewise, 65 percent of women and 38 percent of men thought it was acceptable to leave children at a nursery while women work.

Figure 2: Norms about women's work (percentage) at baseline, by respondent sex.



Policy Recommendations

While the evaluation reduced nursery costs, researchers suggest this change alone was insufficient to increase nursery use or women's employment. However, evidence suggests that childcare remains a major lever for increasing female labor force participation in many contexts, including in the MENA region. To be effective, childcare subsidies may need to be paired with targeted improvements in access and quality. In Egypt, the MoSS is already advancing a national program to improve nursery quality and raise public awareness of their importance to children and families (Ministry of Social Solidarity, 2018).

Although the study's employment services aimed to match jobs with women's preferences, a mismatch existed between the available jobs and those that women were willing to accept. Policies and programs that encourage the creation of jobs of interest to women in Egypt may be important in facilitating women's employment. For instance, promoting part-time work and incorporating employment opportunities into residential areas could make jobs more attractive to women. Further evidence is needed to better understand which job characteristics most effectively increase women's take-up of employment opportunities.

Egypt's restrictive gender norms may have constrained both the use of nurseries – by prioritizing familial care – and employment opportunities – by limiting what jobs women could consider. Policies and programs should prioritize norms that support caregiving and limit the socially acceptable work for women. Recognizing, reducing, and redistributing unpaid caregiving is critically important for women's ability to reconcile family and employment (Economic Research Forum and UN Women 2020). Changing gender norms can happen throughout society, via mechanisms such as the media and school system (Jayachandran 2019; Dhar, Jain, and Jayachandran 2022).

Egypt's restrictive gender norms may have constrained both the use of nurseries by prioritizing familial care and employment opportunities, by limiting what jobs women could consider. Policies and programs should address these norms by promoting more equitable views of caregiving and expanding what types of work are considered socially acceptable for women. Recognizing, reducing, and redistributing unpaid caregiving is critically important for women's ability to balance family and employment (Economic Research Forum and UN Women 2020). Efforts to shift gender norms can be supported through various channels, including the media and the education system (Jayachandran 2019; Dhar, Jain, and Jayachandran 2022).

Efforts to increase women's empowerment and employment in Egypt may require a multi-faceted approach. Parallel to programs that are effective at addressing “poverty traps” by tackling multiple constraints simultaneously, programs that address “gender traps” may need to tackle a bundle of constraints simultaneously to increase women's empowerment and employment. While this study tried to address both job matching and childcare affordability, researchers suggest that childcare quality, mismatches in the labor market, and restrictive gender norms should also be addressed together to lead to improvements in women's empowerment and employment.

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For paper citation please use the following:

Abdul Latif Jameel Poverty Action Lab (J-PAL). 2025. “Childcare Subsidies and Employment Services in Egypt.” J-PAL Policy Brief. Last modified September 2025. [insert link once available]