Unleashing the Potentials of Youth Employment Programs in Egypt

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Executive Summary

Egypt has a large number of youth employment programs, implemented by both state and non-state actors. A number of programs stand for their innovative approaches, sustainability and institutionalized designs. Others, however, fail to be demand-driven, focus on outdated skill training, and lack sustainability and evidence of an impact. Issues of program targeting, coordination and program documentation and evaluation are also paramount. To unleash the potentials of these programs, this brief recommends focusing on three key vectors: to encourage and incentivize program documentation and evaluation in order to revisit less successful models; to integrate youth employment programs into other social policies and build synergies and promote a holistic vision for the field; and to address targeting biases.

Introduction

Youth unemployment is a central policy issue in Egypt. According to recent statistics, the unemployment rate among youth has reached 15.7% for those 15-29. This requires a comprehensive approach that includes a conducive environment for private-sector growth, job creation and policies targeting job quality challenges. These measures have been highlighted in Egypt’s Vision 2030. In addition to these structural measures, youth-focused labor market policies and programs that focus on the short-term needs to equip young Egyptians for productive employment and address labor market imperfections need to be put in place. This policy brief addresses these policies.

What are Youth Employment Programs?

Youth employment programs, also known as active labor market programs (ALMPs), are relatively short-term interventions that are implemented in order to improve the prospects of gainful employment of participants, particularly those that are disadvantaged in the labor market. ALMPs are typically targeted at the unemployed, youth (to transition from school to work), and other vulnerable groups, such as the disabled or those who did not receive adequate education.

Interventions generally fall into four key categories:

1. Training and skills development: the design of these programs starts with an identification of a specific skill shortage among youth and/or a specific skill that is in demand in the labor market. Programs can focus on soft skills (also known as portable skills and focus on interpersonal skills, language and effective personal habits), technical skills, or a mix of both. International experience highlights the positive impact of programs that
focus on skills in demand in the labor market, that take a bottom-up approach in design, and that are combined with on-the-job-training and apprenticeship.\textsuperscript{vi} The effectiveness of training programs increases when training is combined with other types of interventions such as job placement or entrepreneurship promotion services.\textsuperscript{vii}

2. Entrepreneurship promotion: These programs address low labor demand by creating new jobs through self-employment and job creation. Programs generally address the lack of financial capital and entrepreneurial skills among youth through the provision of loans, business grants, entrepreneurship training, business advisory services and even business incubators. International experience highlights the positive impact of programs that combine financial and non-financial services.\textsuperscript{viii}

3. Employment services: these programs address the constraint of lack of labor market information among youth. Interventions within this category include job search assistance, career counseling, and job placement service. Employment services are usually the most cost-effective programs for youth employment.\textsuperscript{ix} Their impact, however, is contingent on job availability. These programs are also better combined with skill training that is focused on specific needs in the labor market.

4. Subsidized employment programs: These include employment in public works or public service programs, employment guarantee programs and wage subsidies. These programs seek to address insufficient labor demand by increasing the job and training opportunities available to youth. Because of their costly nature, these programs are generally short-term, seeking to economically integrate marginalized youth, particularly at times of economic crises. Successful international models aim to build skills as part of this short-term subsidized employment in order to have longer-term impact.\textsuperscript{x}

With the global crisis of youth unemployment, youth-focused ALMPs have been posited as immediate solutions to address this serious socio-political challenge. ALMPs have been increasingly integrated in economic and social policy across Organization for Economic Cooperation and Development (OECD) countries.\textsuperscript{xi}

**Youth Employment Programs in Egypt: Key Approaches and Targeting Mechanism**

Egypt has a plethora of youth employment programs implemented by both state and non-state actors.\textsuperscript{xii} Data from the Youth Employment Inventory (YEI), which is a global public-access dataset of completed and ongoing youth employment interventions, includes 182 programs that have been implemented in Egypt between 1990 and 2013 (see figure 1).\textsuperscript{viii} Out of these programs, the majority (121 programs, or 66 per cent) had skill training as the primary category of intervention; followed by entrepreneurship promotion (44 programs, or 24 per cent); employment services (8 per cent) and subsidized employment (2 per cent).

In terms of targeting, the majority of youth employment programs in Egypt (47 per cent) are implemented in urban areas; with some programs (13 per cent) carried out as
nationwide interventions. There is also a strong focus on educated youth, with the majority of programs focusing on fresh secondary and post-secondary education graduates. Moreover, only 5 per cent of interventions addressed young people with disabilities, and only 9 per cent of programs explicitly targeted young women. The inventory allows for an excellent birds-eye view of programs in Egypt and their strengths and weaknesses, which are discussed in the following sections.

Figure 1: ALMPs in Egypt by Category of Intervention

**Key Success Elements in Youth Employment Programs in Egypt:**

There are a number of positive signs that can be discerned from the data on youth employment programs in Egypt.

**First, there is clearly a key interest in youth employment issues in Egypt.** This is reflected in the multiplicity and diversity of players in this field. ALMPs in Egypt are offered by a myriad set of players, covering the gamut from governmental institutions; quasi-governmental bodies in partnership with international donors; civil society organizations with support from local and international donors; and the private sector. The policy discourse in Egypt particularly shows a heightened focus on the issue of youth employment, with virtually all top officials highlighting the issue as a key policy priority.

**Second, the field of youth employment programs in Egypt has witnessed a number of sustainable and institutionalized initiatives.** A key example is the Dual Education Program, which spun off from the earlier donor-funded Mubarak-Kohl Initiative (1994-2007). The program offers an alternative track for completing secondary education following the German Dual System in technical education. By the end of the pilot program (which notably ran for 13 years), the government had established a governance structure, establishing a national body with private sector representation to coordinate the provision of training places and identify needed skills. Another key experience is that of the foundations established by USAID to provide ongoing financial support to entrepreneurship promotion schemes, which have enabled some of these programs to expand operations and target new clientele groups as shown on the database. Similarly, the Social Fund for Development (SFD) has been a key player in the field of youth-focused ALMPs in Egypt. The Fund is a quasi-governmental body created in the early 1990s to mitigate the impact of structural adjustment programs on low-income groups. Since then, it has led projects spanning small and micro-lending; vocational and technical training; and extensive infrastructure and community development schemes for local development and employment generation. While the fund commonly operated on a project-by-project basis, its continuous presence in the field allowed for long-term support to a number of activities and the creation of a strong institutional structure. The Fund primarily implements its activities through a number of non-state actors including Civil Society Organizations.
(CSOs) and the private sector, allowing for cross-learning, innovative models and capacity building.

Third, the field of youth employment programs in Egypt is rife with innovative models by different players. Some CSOs have provided training programs that reflect international lessons in the field, providing enterprise-based and demand-driven training modules that are closely aligned with the needs of the labor market. Several initiatives have also built optimal partnership models among CSOs, universities and the private sector. Some CSO interventions have also taken an integrated approach, often praised in the global experience, combining training with job placement or labor market information services. Others combined lending with training on marketing and entrepreneurship skills. Soft skills relating to communication and problem solving were the target of many CSO interventions (about 46 per cent of programs by CSOs according to YEI). CSOs also offered models providing international certification as part of the training in collaboration with multi-national companies such as CISCO and Microsoft. They also used new social media channels to deliver training programs such as YouTube uploaded videos focusing on soft skills or job interviewing skills.

Fourth, the field has diverse financing models of programs. Donor country agencies directly supported 25 per cent of the interventions in the database. The Egyptian government, through the Social Fund for Development, supported 15 per cent of the interventions by CSOs, followed by 13 per cent with support from international CSOs and foundations. Employers supported less than five per cent of CSO interventions, mainly in training and job placement. Cost-sharing models were also seen in about 11 per cent of interventions. These models of cost sharing by employers or beneficiaries offer potentials for sustainable operations. Entrepreneurship support models and micro-finance programs offer other sustainable examples, with some relying on very large revolving funds and have a very large base of beneficiaries.

Key Challenges to Youth Employment Programs in Egypt:

Although the multiplicity of players is a key advantage to the field of youth employment programs in Egypt, it also leads to its key challenge of field fragmentation and weak coordination. Programs operate in separate islands, with no evidence of exchange of experience, coordination of activities and collaboration. This fragmentation of services stands in contrast to global calls for the integration of youth employment programs into other social services; and the implementation of principles of New Public Management of performance measurement, competition benchmarking, auditing, and one-stop-shops in service delivery.

A second key challenge relates to the dominant pilot and limited-duration modality of implementation in this field and it related issue of donor-dependency. The average duration in the YEI database of all programs with complete data on start and end dates was seven months. This limits the outreach and depth of impact potentials of these programs. As a result, half of the training programs had less than 500 beneficiaries. These figures do not compare to the large size of the unemployed in the country (two million young people according to recent estimates). The pilot modality also reflects donor dependency as projects end
of funding.

This is compounded by a third and key challenge to interventions by both state and non-state actors, which is the lack of proper monitoring, evaluation and documentation of program activities. Weak documentation also reflects a weak culture of evaluation in employment programming. The database shows that out of the 182 program listed, only four had impact evaluations, and only 52 had process evaluations. Many shadow programs exist that show no clear outputs or evidence of impact. Missing documents, limited institutional memory and the weak culture of evaluation all hamper cross-learning and the build-up of experience within and across implementers. In most cases, project reports are not made public by either donors or implementers, leaving only modest documentation on institutional websites about the intervention, which is a temporary and very weak form of documentation.

A fourth key challenge relates to the continuity of supply-driven modalities of training programs that are not based on labor market needs. These include some state-sponsored training programs that offer a pre-defined list of skills for training that range from welding and car mechanics to “girls needlework” and “mother of pearl” ornamenting. The international experience shows that traditional programs that focus on providing technical-skills in isolation and that take place in a classroom settings have little, if any, positive impact. This is particularly the case when programs are not aligned with the needs of the private sector, and do not provide real-life on-the-job experience.

A fifth key challenge relates to the targeting bias of programs in Egypt. Although young women are at a particular disadvantage in Egypt’s labor market, only a small share of interventions (9%) have explicitly targeted female youth. These interventions work at the two ends of the socio-economic spectrum, either targeting low-income women for training in traditional needlework or more privileged women through campus-based job placement programs for university students. Geographic location constitutes another targeting bias, with little focus on programs targeting rural youth. There is also a biased focus on the educated, with a very few number of programs targeting school dropouts. Finally, only 5% of the interventions addressed young people with disabilities. ALMPs in Egypt fail to target most disadvantaged groups in the labor market including young women, youth in rural areas and youth with disabilities.

Policy Recommendations

The recommendations in this brief focus on three key vectors pertaining to program evaluation and documentation; program design and targeting; and implementation modalities. There recommendations are:

1. Youth employment programs need to be integrated into Egypt’s social policies framework, with a clear focus on activation policies to lift marginalized groups out of poverty and unemployment. This entails enhancing synergies among programmatic activities; promoting a holistic vision of youth employment programs; and reducing fragmentation and donor-dependency.
2. There is need to encourage and incentivize program documentation and rigorous evaluation to ensure that there is ample evidence
base to support the direction of policies in this field. This would also entail the institutionalization of performance measurement and impact evaluation protocols as part of program design. This recommendation requires concerted efforts between donors and state and non-state implementers of youth employment programs. This way, programs with weak design and weak evidence of a positive impact can be revisited and improved.

3. The current biased targeting approach of youth employment programs in Egypt should be addressed and balanced. State intervention and CSO advocacy efforts are needed to support more programs targeting young women and the challenges they face in the labor market, uneducated youth, youth in rural areas, and youth with disabilities. Need-based targeting of programs that relies on a bottom-up design and is demand-driven is key.

Finally, much research is needed to support evidence-based programming in youth employment programs in Egypt. Such research will help place Egypt’s experience on the international map of programs and will also support the incorporation of lessons learned from international experience.

Endnotes


iv Ibid.


The analysis in this brief relies on the inventory along with twenty-four phone and face-to-face interviews with key implementers conducted by the author between 2013 and 2014. The analysis also builds on the background study conducted by the Population Council in 2016.
