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# Towards Evidence-Based Active Labour Market Programmes in Egypt

Challenges and Way Forward  
January 2017



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## List of abbreviations

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ABA	Alexandria Business Association
ALMP	Active Labour Market Programme
AUC	American University in Cairo
AWTAD	Association for Women's Total Advancement and Development
DJEP	Decent Jobs for Egypt's Young People
ECES	Egyptian Center for Economic Studies
EFE	Education for Employment
EEIP	Emergency Employment Investment Project
EETEO	Egyptian Education, Training and Employment Observatory
Egypt-YEP	Egyptian Forum for Youth Employment Promotion
EIP	Entrepreneurship and Innovation Program
ELIIP	Emergency Labor Intensive Investment Project
ENCC	Egypt National Competitiveness Council
ENID	Egypt Network for Integrated Development
ETP	Enterprise Training Partnership
FEDA	Friends of Environment and Development Association
FEI	Federation of Egyptian Industries
GAC	Global Affairs Canada (formerly: Canadian International Development Agency)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICT	Information and Communication Technology
IDRC	International Development Research Centre
IDSC	Information and Decision Support Center
ILO	International Labour Organization
ITC	Industrial Training Council
ITIDA	Information Technology Industry Development Agency
JICA	Japan International Cooperation Agency
J-PAL	Abdul Latif Jameel Poverty Action Lab
KAB	Know About Business
LMO	Labour Market Observatory
M&E	Monitoring and Evaluation
MCIT	Ministry of Communications and Information Technology
MENA	Middle East and North Africa
MKI	Mubarak Kohl Initiative
MOE	Ministry of Education
MOF	Ministry of Finance

MOHE	Ministry of Higher Education
MOIC	Ministry of International Cooperation
MOLD	Ministry of Local Development
MOM	Ministry of Manpower
MOPMAR	Ministry of Planning, Monitoring and Administrative Reform
MOSS	Ministry of Social Solidarity
MOT	Ministry of Tourism
MTI	Ministry of Trade and Industry
MYS	Ministry of Youth and Sports
NAP	National Action Plan
NEP	National Employment Pact
NGO	Non-Governmental Organization
NYEP	National Youth Employment Program
PEJEDEC	Projet Emploi Jeune et Développement des Compétences
PES	Public Employment Services
SCHRD	Supreme Council for Human Resources Development
SFD	Social Fund for Development
SFSD	Sawiris Foundation for Social Development
SIYB	Start and Improve Your Business
SME	Small and Medium-sized Enterprise
SYPE	Survey of Young People in Egypt
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
USAID	United States Agency for International Development
YEI	Youth Employment Inventory



## Preface

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In June 2012, the International Labour Conference of the ILO resolved to take urgent action to tackle the unprecedented youth employment crisis through a multipronged approach geared towards pro-employment growth and decent job creation. The resolution “The youth employment crisis: A call for action” contains a set of conclusions that constitute a blueprint for shaping national strategies for youth employment.<sup>1</sup> In 2016, the Global Initiative on Decent Jobs for Youth was launched to facilitate increased impact and expanded country-level action on decent jobs for young people through multi-stakeholder partnerships, the dissemination of evidence-based policies and the scaling up of effective and innovative interventions.

The ILO has responded to this by investing more into understanding “what works” in youth employment and supporting governments and social partners to translate evidence into integrated employment policy responses. In 2013, the ILO set up the Fund for Evaluation in Youth Employment and the Area of Critical Importance: What Works in Youth Employment to foster knowledge sharing and provide financial and technical assistance for rigorous assessment of youth employment interventions. Regional approaches have since been established including the Taqueem (“evaluation” in Arabic) Initiative: What Works in Youth Employment, which targets ILO constituents in the Arab States and African region. Taqueem applies an iterative cycle of capacity development, impact research and policy influence to improve evidence and to support youth employment policy makers to take evidence-based decisions for better resource allocation and programme design. Taqueem is sponsored by Silatech and the International Fund for Agricultural Development.

This report, *Towards Evidence-Based Active Labour Market Programmes in Egypt: Challenges and Way Forward*, reviews the evidence base on what works in making Active Labour Market Programmes effective for young people and provides an analysis of the policy framework and stakeholders influencing youth employment programming in Egypt. The research aims to contribute to building consensus around the challenges and opportunities to strengthen evidence-based decision making in the field of youth employment in Egypt.

The drafting of the report was led by an ILO technical team comprised of Drew Gardiner, Felix Weidenkaff and Amal Mowafy with key contributions by the Population Council’s Egypt office team, led by Rania Roushdy and comprising Nahla Hassan, Mona Amer, Irene Selwaness and Ali Rashed. We would like to acknowledge excellent research assistance provided by Monica Mamdouh during the preparation of the report. The ILO Youth Employment Programme, the ILO Decent Work Team for North Africa, and Kevin Hempel, an independent consultant, provided technical guidance to the research team.

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<sup>1</sup> The full text of the 2012 resolution “The youth employment crisis: A call for action” can be found on the ILO website at: [http://www.ilo.ch/ilc/ILCSessions/101stSession/texts-adopted/WCMS\\_185950/lang--en/index.htm](http://www.ilo.ch/ilc/ILCSessions/101stSession/texts-adopted/WCMS_185950/lang--en/index.htm).

We also take this opportunity to thank the stakeholders interviewed during the course of this study and wish to acknowledge the helpful comments and suggestions provided by numerous reviewers and contributors, including the participants of the validation workshop and roundtable event held in Cairo in June and July 2016.

We thank Silatech and Global Affairs Canada for their generous financial support for the ILO Taqem Initiative and the ILO Decent Jobs for Egypt's Young People technical cooperation project which made this study possible.

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## Executive summary

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**This report contributes to building consensus around the development of more effective, scalable and sustainable Active Labour Market Programmes (ALMPs) for youth in Egypt.** This is achieved through three objectives: first, to provide an analysis of the policy framework and the key stakeholders influencing youth employment programming in Egypt; second, to synthesize global evidence on the effectiveness of youth employment programmes, and reflect this in the context of existing ALMPs for young people in Egypt; and third, to provide recommendations on how to improve evidence uptake in the policy making process to improve youth labour market outcomes in Egypt.

**Like other countries in the Middle East and North Africa region, the Egyptian labour market faces structural challenges which restrict the creation of decent work for young people.** Among other factors, these challenges include a fast-growing working-age population exerting an increasing demographic pressure on the economy at large. With limited employment opportunities in the public sector, the pace of growth in the formal private sector has not brought about sufficient job creation. Educational returns remain low compared to countries in other regions and concerns about the quality of the education contribute to an increasing level of skills mismatch between formal education and the labour market, which is characterized by segregation across gender and regional lines.

**Combinations of coherent long-term and short-term measures have been adopted across the globe to address such complex challenges.** On the one hand, job creation requires a conducive environment that sustains private sector-led growth, such as macroeconomic stability and an enabling investment climate, including adequate infrastructure, access to finance, and sound business regulation. On the other hand, ALMPs can play a crucial role in decreasing youth unemployment. As policies that actively tackle the employment of vulnerable groups, ALMPs contribute to reducing poverty, creating equity and offering security in a changing environment (Auer et al. 2008, page 18-20). ALMPs can address labour demand by providing (public) employment and fostering self-employment and entrepreneurship. Just as common are measures to increase labour supply, where skills trainings are most prominent. Finally, ALMPs can aim to reduce labour market friction by providing labour market information, offering employment services and registration of vacancies (ILO 2003, page 6-8).

**While global experience and evidence show that ALMPs can be effective in improving labour market outcomes of youth when well-designed and implemented, they are not at the forefront of the current economic and social development agenda in Egypt.** The main narrative on employment creation in Egypt is focused on boosting economic growth through macroeconomic measures and megaprojects, while youth employment interventions that equip young Egyptians for productive employment and link them to available jobs are also needed. The relatively low reputation and lack of a common conceptual understanding of ALMPs in Egypt constrains the effective formulation and implementation of such measures.

**Employment promotion programmes in Egypt encounter multiple common challenges that limit their effectiveness.** These challenges primarily include the lack of a coherent policy and strategic framework, high levels of fragmentation between various public agencies and civil society groups, weak targeting, limited conceptual understanding of the multiple constraints young people face in the labour market, limited implementation capacity, lack of appropriate monitoring and evaluation, and a lack of programme sustainability due to donor dependency, thereby leading to a lack of continuity and limited institutionalization of lessons learned.

**Local and international stakeholders who want to contribute to the public discourse and government agenda towards more evidence-based practices of ALMPs should take into account the country's political economy and policy making process.** Decision making in Egypt is typically characterized by a top-down approach. As a result, establishing and maintaining trusted relationships between development partners and top government officials and their close advisors is essential to shaping future public policy.

**With the growing emphasis on results globally, more evidence-based decision making is needed in the policy making and programming process in Egypt.** Many policy makers and implementers lack an understanding of the importance of evaluation for programme design and improvement. As a result, monitoring and evaluation frameworks are often underdeveloped, and only a minority of programmes conduct evaluation. Robust impact assessments are almost non-existent. Thus, there is limited documented experience about the effectiveness of ALMPs in Egypt and what can be learned from them.

**As a result of the limited focus on using and generating evidence to inform programme decisions, ALMPs in Egypt do not seem to be well-aligned with global best practice.** Despite many encouraging developments in recent years, such as the increase in demand-driven skills development programmes and the emergence of entrepreneurship support programmes that combine financial and non-financial services, many public and non-public ALMPs could benefit from taking into consideration more lessons from past programmes and evaluations.

**Despite these challenges, Egypt is well-positioned to implement more effective and coordinated ALMPs, given the multitude of players, diversity of programmes, and support from international and local donors.** Due to a vibrant civil society sector, there is a large diversity of programmes being implemented, providing opportunities for innovation and learning that can inform public policies and programmes. Egypt can benefit from strong support by local donors and the international community who are important allies in the design and funding of ALMPs in order to set up promising programmes in the future.

**Four key policy recommendations emerge as a basis for moving towards high quality, more effective and impactful ALMPs for young people in Egypt:**

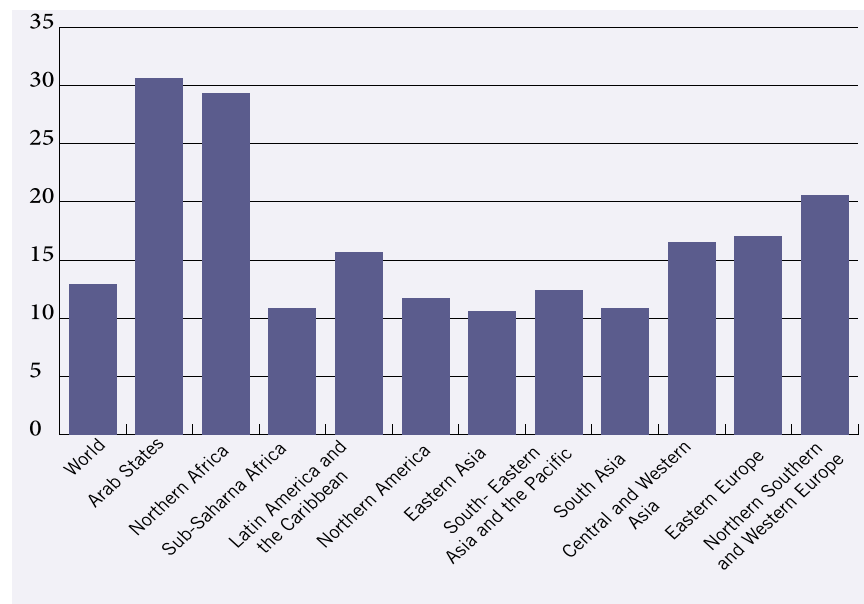
- 1. Reframe the employment promotion narrative from stand-alone measures and classic macro-economic frameworks towards job-rich, pro-employment policies.**
- 2. Foster a narrative which emphasises investments in young people.**
- 3. Work towards a common understanding of ALMPs and improve their reputation.**
- 4. Promote evidence-based programming.**

## Section 1: Introduction

### Background and rationale

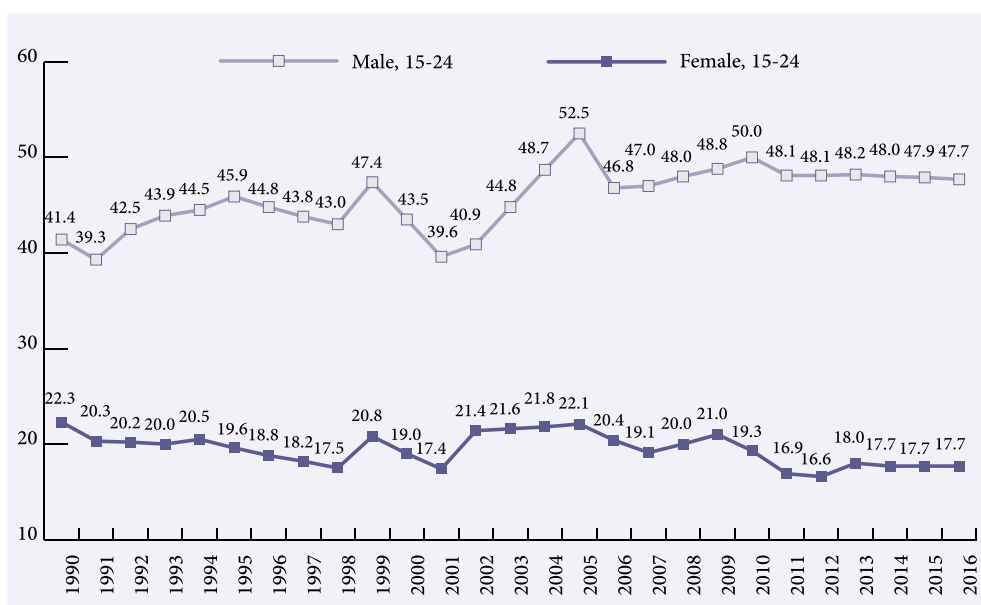
**Similar to other countries in the Middle East and North Africa region, the Egyptian labour market has been facing structural challenges which restrict the creation of decent work for young people.** Globally, youth unemployment was highest in North Africa and the Middle East, at 28.2 per cent and 30.5 per cent respectively in 2014 (ILO 2015a).

**Figure 1:** Youth unemployment by region (in per cent)



Source: World Employment and Social Outlook (WESO) Youth 2016 Global Trends 1

A fast-growing working-age population hampers attempts to absorb cohorts of new entrants into the Egyptian labour market and exerts increasing demographic pressure on the economy at large. With limited employment opportunities in the public sector, the pace of growth in the formal private sector has not brought about sufficient job creation. Accordingly, the share of informal workers in overall wage employment has increased significantly, thereby also affecting the quality of employment (Assaad and Krafft 2015; Roushdy and Selwaness 2014). Access to formal education substantially improved, yet educational returns remain low compared to countries in other regions, and concerns about the quality of the education contribute to an increasing level of skills mismatch between formal education and the labour market (Montenegro and Patrinos 2014; Population Council 2010). The labour market has been characterized by segregation across gender and regional lines; youth female labour force participation has been at a persistently low level since the 1990s, with the region of Upper Egypt facing disproportionately extreme poverty and lack of opportunities (Assaad and El-Hamidi 2009). Employment expectations also pose a challenge, as young women and men tend to prefer public sector employment, and technical and vocational jobs are still stigmatized (Sieverding 2012).

**Figure 2:** Youth Labour Force Participation Rates in Egypt, by gender

Source: ILO Stat, Labour Market Statistics (ILO 2016)

**To address these complex challenges, macroeconomic measures have been anchored in the 2030 vision to stimulate labour demand and support a dynamic private sector. Designing a set of coherent and efficient Active Labour Market Programmes (ALMPs) emerges as an urgent need to complement these measures.** Egypt has a long history of implementing ALMPs for young people, particularly those pertaining to micro-financing young entrepreneurs, supporting skills development, and facilitating the transition from school to work. However, these initiatives have experienced several inherent challenges primarily related to the following key aspects of efficient and coherent financing, design and implementation of ALMPs: (a) proper targeting and accurate selection mechanisms; (b) institutional capacity within implementing agencies; (c) quality documentation and results measurement through monitoring and evaluation (M&E) systems and rigorous impact assessments; (d) programme sustainability and institutionalization of good practices and (e) coherence and coordination of stakeholders (Amer 2012; Angel-Urdinola et al. 2010; De Gobbi 2005; Martin and Bardak 2012; Semlali and Angel-Urdinola 2012).

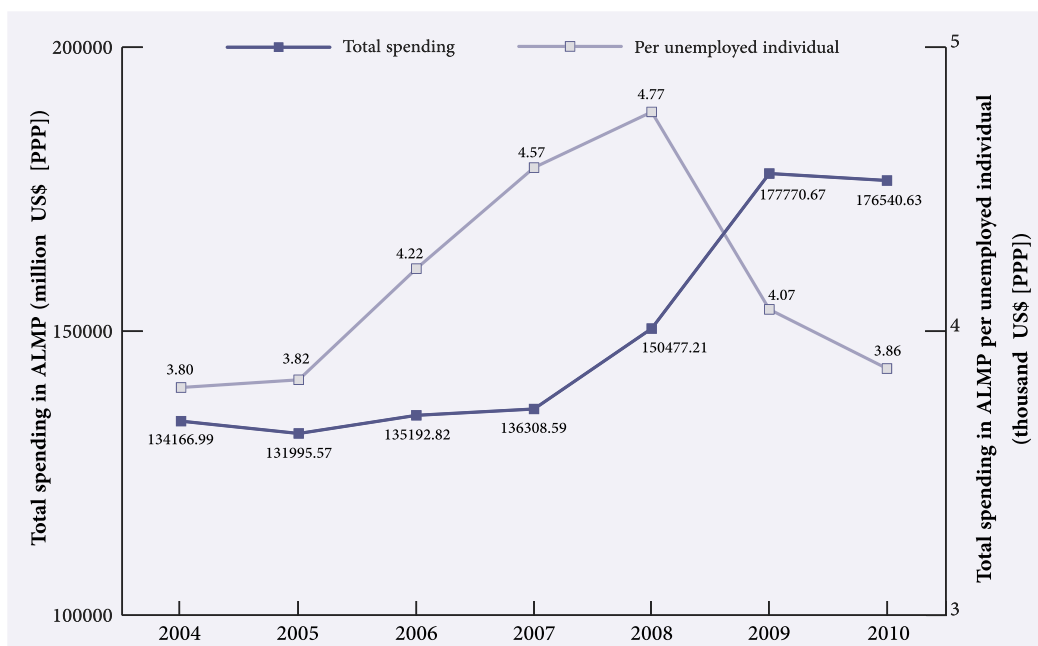
**Box 1:** Definition of Active Labour Market Programmes (ALMPs)

Active Labour Market Programmes are interventions aimed at the employment of the most vulnerable groups in society. By providing or facilitating access to decent employment, they reduce poverty, create equity and offer security in a changing environment (Auer et al. 2008, page 18-20). Unlike Passive Labour Market Policies (PLMPs), ALMPs exclusively target increased employment rather than other relief options like wage replacements. Both supply-side and demand-side measures fall under this category. Typical programmes on the labour demand-side are Public Employment Programmes as well as interventions to foster self-employment and entrepreneurship. Concerning labour supply, skills trainings are most prominent, this also being the most common ALMP in general. Finally, ALMPs can also address market frictions by providing labour market information, offering employment services and registering vacancies (ILO 2003, page 6-8). Good ALMPs are additionally characterized as those that encourage and allow for social dialogue; collective bargaining mechanisms should not be compromised by incentives provided by ALMPs (ILO 2003, page 3-5).

Sources: ILO resolutions and reports (see below for details).

Since the 1990s there has been a growing interest in ALMPs globally. Today, expenditure on ALMPs is sizeable in most emerging and advanced economies and continues to increase. According to the ILO (ILO 2015b), between 2004 and 2009, ALMP expenditure grew continuously at an average annual rate of 5.8 per cent. This overall growth in ALMPs during the period was driven by training interventions, which accounted for one-third of the total increase in ALMP spending. This trend mirrors the situation in Egypt where skills training programmes dominate ALMP interventions .

**Figure 3:** Evolution of total expenditure on ALMPs



Source: Escudero 2014, page 22.

A growing body of global evidence highlights the role of ALMPs as important instruments to improve employment prospects for young people and other disadvantaged groups. Adopting emerging lessons provides an opportunity for youth employment initiatives in Egypt to enhance their impact. Therefore, an initial understanding of the key constraints for better evidence-based programming and policy making in Egypt seems crucial. One limitation appears to be that stakeholders promoting the adoption of new practices and programmes have only a limited understanding of the national policy environment and the decision making dynamics within institutions. Moreover, there is currently no shared agenda between key international and domestic stakeholders to effectively advocate for selected reforms and programme improvements.

## Objectives

The main objectives of this report are three-fold.

**First**, the report provides an analysis of the policy framework and the key stakeholders influencing youth employment programming in Egypt.

**Second**, it synthesizes global evidence on the effectiveness of youth employment programmes, and reflects this in the context of existing ALMPs for young people in Egypt.

**Finally**, the report provides recommendations on how to improve evidence uptake in the policy making process to improve youth labour market outcomes in Egypt, and build consensus around the development of more effective, scalable and sustainable youth ALMPs that are embedded in a system of monitoring, evaluation and impact assessments.

## Methodology

To better understand the policy framework, qualitative in-depth interviews and focus group discussions were conducted between September 2015 and June 2016 with a large group of stakeholders involved in the formulation or implementation of youth employment interventions. Building on an initial stakeholder mapping, this group included current and former high-level policy makers and senior officials from several relevant ministries and semi-governmental organisations such as the Social Fund for Development (SFD), the Industrial Training Council (ITC), and the Information and Decision Support Center (IDSC); civil society and private sector representatives; university professors and labour market scholars; as well as donors and international implementing partners (see Appendix for details).

The review of youth employment programmes is based on data from the Youth Employment Inventory (YEI). While not providing an exhaustive listing of all ALMPs implemented in Egypt over the recent decades, this database offers information about the design, characteristics and achievements of major youth employment programmes (not all of which are ALMPs) and provides a solid estimate of the relative distribution of programmes by type, particularly for programmes since 2010 (see Box 2 ). This information was supplemented by a comprehensive desk review of recent relevant research studies, project documentation and evaluation reports, and a recent global systematic review of ALMPs for youth (Kluve et al. forthcoming).

**Box 2: The Youth Employment Inventory (YEI) - Egypt**

The Youth Employment Inventory is a multi-agency initiative by the International Labour Organization, the World Bank, and the German Federal Ministry of Economic Cooperation and Development aimed at collecting information and evidence on youth employment programmes around the world. At the time of writing this report, the YEI database comprised 1,086 programmes implemented in 120 countries. For each of those programmes, the database provides information on the implementing agency, type of programme, target groups, number of beneficiaries, funding agencies, funding amount, and type of evaluation conducted.

In 2013, the ILO carried out a country inventory of 182 youth employment interventions in Egypt to shed light on current trends and to provide the basis for further research. Information about the interventions implemented in Egypt was generated through extensive desk research and complemented by structured interviews with implementing agencies. Over 85 per cent of the documented programmes were recent programmes that started between 2010 and 2013, or started before 2010 but were still being implemented following 2010.

Source: Youth Employment Inventory database, available at <http://www.youth-employment-inventory.org> [August 2016]

**Structure of the report**

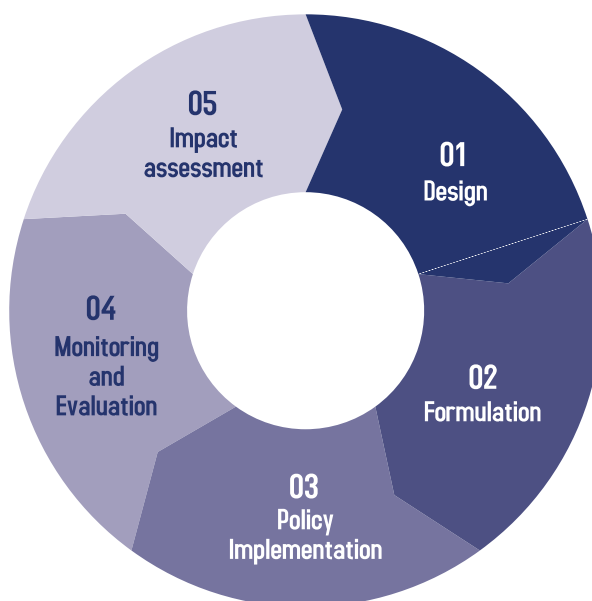
The paper is organized into five sections. Following this introduction, section two examines the policy making process of ALMPs and highlights existing barriers to evidence-based policy making in Egypt. It also provides a brief history of youth employment policies over the last decade, and discusses the prevailing public narrative regarding youth employment promotion. Section three describes current youth employment programmes in Egypt with their context and stakeholders. Also, the evolution of different types of ALMPs in Egypt is presented and evidence on their effects are summarized. Section four offers recommendations on how to improve the reputation and quality of ALMPs in Egypt while section five summarizes the findings of the report.

## Section 2: The policy environment for youth employment

### 2.1 Understanding the policy making process

**A comprehensive understanding of the policy making process in Egypt is essential to communicate the necessity and urgency of a coherent and effective set of ALMPs to decision makers.** However, current and former policy makers interviewed during the course of this study agreed that a guiding tool for policy formulation in Egypt either does not exist or is not used. Policy making appears to be often influenced by actors not expressly legitimized. Therefore, the complex process of policy-making in Egypt and the basis on which decisions are made requires analysis beyond frameworks or procedures.

**Figure 4:** The policy cycle



Source: ILO 2015c. Decent Work for Youth, page vii.

The ILO recommends a five-step process to guide stakeholders in the design, formulation, implementation and evaluation of comprehensive employment policy frameworks for young people.

As formulized employment-centred policy-making procedures either do not exist or are not implemented in the Egyptian context, there is uncertainty about the likely trajectory of policies. This creates a lack of incentives for civil society and politicians to engage in the policy process, making it difficult to plan and implement long-term ALMP strategies.

**Urgent economic and employment programmes are often politicized,** and may be announced or developed as part of a presidential electoral programme. According to several

key informants interviewed during the course of this study, these types of initiatives are announced as a way to strengthen the political system and are rarely underpinned by solid studies or evidence. Key informants also highlighted that even when studies and solid arguments are presented in favour of adopting a certain economic policy, political considerations are likely to take precedence over sound available evidence. This is particularly problematic as the rules by which final decisions are made are often either unknown or not applied, making it difficult to hold political actors accountable.

**Policy formulation in Egypt is highly centralized and has traditionally adopted a top-down approach.** There is consensus among key informants that important policies or megaprojects require the support and approval of the presidential administration. Information and decision support for high-level policy making is confined to the Council of Ministers (the cabinet) and trusted advisors. Decision making within the ministries and other agencies is also concentrated at the top with limited scope for consultation with implementing agencies, thereby limiting the chances of taking up evidence and lessons learned.

**Centralized decision making and a personified leadership culture influence the role an institution can play in policy making and programming in Egypt.** Institutions (e.g. ministries) charged with employment promotion (and other sectors) have historically varied in strength and influence depending on the leadership at a given time. Given that mid-level management has relatively limited influence in shaping policy and programme design, the prominence of an institution's current leader becomes paramount in shaping the work of that institution. The impact of changes in leadership on its institutions also has significant implications for institutional memory and policy continuity.

**Fundamental principles and rights at work, labour standards, collective bargaining and social dialogue need to be at the heart of policy formulation processes in Egypt** and correspond closely to Egypt's ratification of the Freedom of Association Convention (CO-87, 1948) and the Convention on Migration and Employment (CO-97, 1949). Tripartite partners including government, workers and employers, as enshrined in Egypt's Social Dialogue Council established in 2014, are the key stakeholders in labour relations in Egypt.

**Box 3:** Employment Policy Convention No. 122

ILO's normative framework for employment policy development is guided by the Employment Policy Convention, 1964 (No. 122) which is ratified by 111 countries (not including Egypt). The Convention articulates the resolve of member States to achieve full, productive and freely chosen employment. It creates a basic obligation on States to make an explicit formal pronouncement of their employment policy. This can be expressed in a number of ways. Some countries, for example, pronounce the objective of full employment, whereas others articulate the duty of the State to promote conditions for the realization of the right to work.

**The formulation and implementation of employment policy and ALMPs is further influenced by a complex institutional landscape and the pronounced fragmentation of initiatives among multiple ministries and governmental and semi-governmental institutions.** While the Ministry of Manpower (MOM) is Egypt's primary public employment service agency officially responsible for employment policy, it is in practice

one among multiple institutions involved in this process. The example of technical and vocational training shows that there are over 30 ministries and authorities overseeing publicly run training centres and programmes in Egypt. As a result of this fragmentation, limited collaboration and cooperation among the institutions involved in ALMPs has often been documented (Al-Shareef 2015; Semlali and Urdinola 2012; Karuga and El-Din 2015; Zelloth 2015). This may also explain why, despite several attempts, a comprehensive and holistic national employment strategy for Egypt has never entirely materialized (see Section 2.2). The fragmentation and limited collaboration also influences the lines of responsibilities among the different entities involved, thereby making it more difficult to hold institutions accountable for results.

**Prior to the formulation and implementation of labour market policies and programmes, the process of allocating budgets requires intensive coordination to align priorities.** Several key informants highlighted the challenge of assigning funds to a particular employment programme given the allocation mechanisms of the state budget by sector (health, education, water, etc.). Hence, the final decision making power regarding policies and programmes lies within the Ministry of International Cooperation (MOIC) (if programmes are funded through international donors) or the Ministry of Finance (MOF) (if funded from the state budget).

**There is general consensus that labour market policy and programmes in Egypt need to be based more on research and evidence from results measurement** (Semlali and Angel-Urdinola 2012; Amer 2012; Zelloth 2015). Almost all interviewed stakeholders and experts concur that M&E systems are often missing because of a lack of understanding of the importance of evaluation and results measurement. There are selected initiatives to introduce M&E in some government departments; for example a new M&E department was established in the Ministry of Planning, Monitoring and Administrative Reform (MOPMAR), and the MOIC and the Industrial Training Council (ITC) have been piloting large-scale, randomized, controlled trials, but their effectiveness also depends on the institutional capacity, as well as on distinguishing the role of M&E from that of auditing.

**Development partners have historically been relatively influential in the development of national policies and programmes.** The influence of donors has been prevalent in directing the development and implementation of many economic and social policies and programmes, including ALMPs. In addition to traditional multilateral and bilateral donors, Egypt has also received development assistance from member states of the Gulf Cooperation Council (e.g. funding from the United Arab Emirates for the Industrial Training Council), particularly during the transitional period after 2011. However, due to their varying strategies and mandates, the interests and agendas of donors are not necessarily aligned, thus limiting coordination and joint agenda-setting.

## 2.2 Youth employment strategy and ALMPs

A comprehensive and holistic national employment strategy for Egypt remains a priority to promote decent work for youth. The recent history of the development of employment programmes and national action plans in Egypt provides insight into the future.

**The formulation of the National Youth Employment Programme (NYEP) coordinated by the Information and Decision Support Center (IDSC) of the Prime Minister's Cabinet in 2001 marked an early attempt towards a youth employment strategy.** NYEP aimed to recruit 170,000 young graduates annually into the public sector; create 100,000 jobs in the private sector;

and train 400,000 educated young people. These ambitious targets were not met and the strong focus on job creation in the public sector contradicted the announced government strategy of letting the private sector assume the primary role in labour absorption (Amer 2012; De Gobbi 2005).

**There was a second attempt towards a national employment strategy for youth in 2009/2010, when the ILO in collaboration with the Ministry of Manpower, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and several United Nations agencies developed an initiative for a Youth Employment National Action Plan (NAP).** The NAP had three main objectives: (a) promoting youth employability through skills development and training programmes, (b) boosting job opportunities through entrepreneurship promotion, and (c) labour market policy development through upgrading employment offices and setting up a labour market information system (ILO 2010). Despite continuous efforts to stimulate the discussion about the NAP with the MOM, it was never officially adopted due to the revolution, the subsequent dissolution of parliament and frequent changes of ministerial cabinets (ETF 2015).

**The recent Sustainable Development Strategy, Egypt Vision 2030, includes elements of labour market policies in its economic, education and culture sections.** Among the employment-related objectives included in the strategy are: to decrease the unemployment rate to 5 per cent; increase vocational training opportunities and create decent job opportunities in the non-traditional industry and culture sectors; enhance the vocational education system and establish it as an attractive alternative to university education; and link the university enrolment system to labour market needs (MOPMAR 2016). While the strategy was developed with technical assistance and advisory services of several international organizations and donors such as ILO, Japan International Cooperation Agency, the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the World Bank, it has been criticized for a lack of consultation and consensus-building among relevant public and private stakeholders.

### 2.3 General narrative on employment promotion and ALMPs in Egypt

**The general narrative on employment promotion in Egypt is centred on the premise of direct employment effects of economic growth.** Most government officials, current and former policy makers as well as labour market scholars interviewed in the course of this study believe that the key bottleneck of employment in Egypt is the slow pace of private sector growth. In line with previous studies, they maintain that the private sector has not provided an adequate substitute to declining public sector employment, due to several regulatory and structural constraints that hinder job creation within small and medium-sized enterprises. Several scholars and former policy makers highlighted that the main focus should be on measures to stimulate economic growth that subsequently lead to job creation.

*“No matter how effective and successful ALMPs could be, the real bottleneck is that there is not enough demand for jobs in the Egyptian labour market. This is a problem of business and investment climate in Egypt.”* Civil society representative and former policy advisor

**Despite this perspective on the importance of economic growth, the ILO<sup>1</sup> and many other experts believe that macroeconomic policies, including fiscal and monetary policies, trade**

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<sup>1</sup> For a detailed discussion of macroeconomic policies for employment creation in Egypt, see Haq et al. (2015)

**and investment policies and other private sector policies, will not be effective unless they are centred on pro-employment growth.** It is generally believed that Egypt's macroeconomic policies do not directly address employment and that policies should be revised to concentrate on economic policies that both promote sustainable employment growth during economic expansions and act as stabilizers for jobs during economic downturns. To do so, incentives to entrepreneurs to shift production to higher value goods and services are needed as well as investment in education and training in order to enhance skills and employability. Additionally, public investment in labour intensive sectors have the double advantage of achieving a sufficiently high investment in infrastructure to enable and foster economic activity while at the same time offering formal employment to disadvantaged groups.

**Linked to the belief in the direct employment effects of economic growth is a culture of megaprojects as panacea for employment creation.** Large investments in megaprojects have traditionally been advertised as employment policy measures that will boost job creation. The Toshka Project provides an example of a project which has been portrayed as important for job creation by the media, thereby fostering the wide perception of such megaprojects as employment policy. Other recent examples include the proposed new administrative capital and the Suez Canal Axis development project that are part of Egypt Vision 2030. On the other hand, skills mismatch and other structural problems of the Egyptian labour market tend to receive less attention in political and public discourse. This may be an indicator of the focus of government efforts on selected mechanisms for employment creation and the perspective of the government on the binding constraints in the labour market.

*“The government thinks of employment as job creation that will come as a result of economic growth. However, employment policy, including ALMPs, is a holistic approach aiming at empowering people (and mainly jobseekers) to contribute to creating economic growth [...]”*  
University professor and former policy advisor

**Informed decision making about youth employment measures appears to be limited by the lack of a common understanding of the concept of ALMPs among various stakeholders.** Several key informants associated ALMPs with macroeconomic reforms and employment policy, and others confined the concept of ALMPs to vocational and soft skills training alone. With a view to harmonizing the understanding of ALMPs, Box 1 provides a description of ALMPs that include both supply-side interventions (e.g. training and skills development), demand-side interventions (entrepreneurship promotion, wage subsidies and public work programmes) and intermediation interventions (employment services including career counselling and job-placement).

**ALMPs have not been the centre of attention for young people and labour market scholars due to low reputation and lack of results measurement, respectively.** Given that evidence-based assessment of the impacts of ALMPs in Egypt is scarce, these programmes tend to receive little attention from academics and labour market researchers. There is also lack of trust among young people towards training and employment programmes, due to promises perceived as unfulfilled, concerns about donor support, and perceptions of nepotism. According to a World Bank report from 2014 (World Bank 2014), 58 per cent of young people believed that networks and connections are more important than skills for finding a job. In addition, young people still tend to prefer public sector jobs and hence are less interested in ALMPs that may lead to a private sector job (Roushdy and Selwaness 2015). This is echoed by the media which often portrays young people's expectations and attitudes towards training and employment opportunities as among the major challenges facing the implementation and success of employment promotion programmes.

## Section 3: The current landscape of Active Labour Market Programmes in Egypt

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### 3.1 Background and overview

**ALMPs are embedded in a wide range of measures to ensure encompassing decent employment.** Globally, ALMPs have been implemented to improve the labour market outcomes of young people, particularly during economic downturns, to complement structural reforms and long-term economic and employment policies.

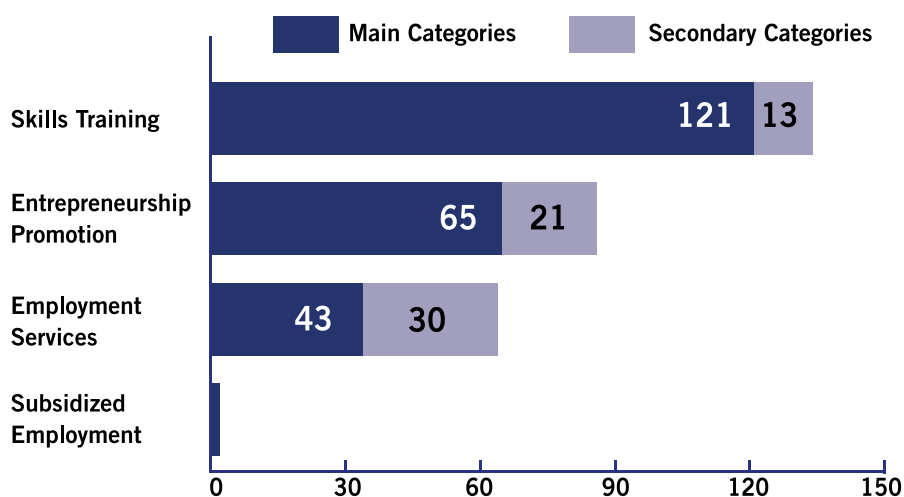
**Egypt has a long history of implementing ALMPs.** Since the roll-out of the Economic Reform Structural and Adjustment Program (ERSAP) in 1991, which restricted new employment opportunities in the public sector and initiated a privatization programme of existing state-owned enterprises (Mokhtar and Wahba 2002), numerous government- and donor-sponsored initiatives in the areas of youth employment and school-to-work transition have been carried out in Egypt to mitigate the effect of this shift in policy orientation. Despite this, there remains a strong preference for public sector jobs, with the government being perceived as the employer of first choice.

**In the 1990s, ALMPs in Egypt primarily focused on providing skills development programmes and initiating self-employment support.** Skills development programmes at that time focused primarily on technical and vocational training. Simultaneously, the government also promoted entrepreneurship as an alternative means to enter the labour market and ease the transition to a market economy. A major step in this regard was the creation of the Social Fund for Development (SFD) in 1991 as an autonomous body under the supervision of the cabinet. Among the primary objectives of the SFD has been to create employment opportunities through small and micro-enterprises and public works programmes.

**Since the early 2000s, a diversified approach to ALMPs has emerged in Egypt and multi-pronged programmes that combine several types of labour market measures have been initiated.** More specifically, during the last decade skills training has been more frequently combined with financial services and access to credit, with the objective of promoting entrepreneurship and improving the sustainability of the business projects created. Comprehensive projects that combined different types of ALMPs (such as skills development, employment services and entrepreneurship promotion) only appeared after 2011, for example the ILO's Decent Jobs for Egypt's Young People (DJEP) project and the Neqdar Nesharek project of the Population Council. Moreover, large public works programmes were initiated after 2011 with the initiation of the Emergency Labour Intensive Investment Project (ELIIP) and the Emergency Employment Investment Project (EEIP) implemented by SFD with support from the World Bank, the EU and UNDP.

**Overall, skills development programmes and entrepreneurship promotion programmes have been the main two types of ALMPs implemented for youth in Egypt**, which is in line with international experience. Among the 182 public- and non-public youth employment programmes documented in the YEI for Egypt, 25 per cent combined skills training and employment services, 16 per cent combined skills training and entrepreneurship promotion, 21 per cent provided only skills training, and 19 per cent provided only entrepreneurship promotion. The number of programmes classified by the ALMP category as primary and secondary components are presented in Figure 5.

**Figure 5:** ALMPs in Egypt by category of intervention



Source: Youth Employment Inventory data set.

### 3.2 Stakeholders

**Traditional governmental and semi-governmental entities are directly involved in the design and implementation of labour market measures in Egypt**, including the Ministry of Manpower, the Ministry of Trade and Industry, the Ministry of Higher Education, the Ministry of Education, the Social Fund for Development, the Ministry of Planning, and the Ministry of International Cooperation. Further employment promotion initiatives are included under the Ministry of Communication and Information Technology (Information Technology Industry Development Agency, Information and Communication Technology Trust Fund), the Ministry of Youth and Sports (Egypt Works), the Ministry of Local Development (Mashrou3ak), and the Ministry of Social Solidarity. The Egyptian Observatory for Education, Training and Employment, the Supreme Council for Human Resources Development (SCHRD) and the National Training Fund are further bodies established to support employment promotion (ETF 2015).

**Non-governmental** and non-profit organizations have been supporting employment promotion efforts for youth through various programmes and were involved in the implementation of 86 per cent of all interventions recorded in the Youth Employment Inventory for Egypt. Moreover, various recent labour market interventions have been conducted by governmental entities in collaboration with NGOs. For instance, the SFD, through the EEIP, has competitively selected over 30 NGOs to implement youth employment projects. These NGOs include, for example, the Alexandria Business Association (ABA), Nahdet El Mahrousa, and Education for Employment (EFE), and large foundations such as Misr El Kheir and the Sawiris Foundation for Social Development (SFSD).

**Incubation and business acceleration models have recently joined other civil society initiatives and have been gaining momentum in recent years due to an increasing focus on entrepreneurship promotion.** While these initiatives are usually not targeted at vulnerable groups, they certainly contribute to shaping the perception of employment promotion efforts and complement existing services for youth by offering training and incubation to highly educated youth. These initiatives mainly focus on entrepreneurship, start-ups and social innovation. Incubators and accelerators such as the AUC Venture Lab, Injaz, Enactus, Endeavour Egypt, Flat 6 Labs, and Egyptian Junior Business Association have been active agents in this sphere and provide some innovative examples of start-ups and small and medium-sized enterprises (SMEs) in Egypt.

**Several international organizations, including the World Bank and ILO, as well as international donors, play an active role in promoting youth employment and ALMPs in Egypt.** The World Bank supports job creation and employment through various channels, including public works programmes as a social protection measure, microfinance, skills development and policy measures towards an enabling environment for private sector development. The ILO promotes decent work for women and men in Egypt through various measures, including the Egyptian Forum on Youth Employment Promotion in collaboration with GIZ and a number of interventions under the DJEP project. Moreover, ILO's Taqueem Initiative supports implementing agencies in Egypt to improve their results measurement systems and conduct rigorous impact evaluations to generate evidence on effective youth employment interventions. These efforts are supplemented by international donor agencies. The European Union provides funding for the improvement of education and Technical and Vocational Education and Training (TVET) systems and the United States Agency for International Development (USAID) supports macroeconomic reform as well as efforts to enhance competitiveness and workforce development, while GIZ implements reforms to promote employment through public-private partnerships.

**Research-oriented think tanks, research institutes and universities have an important role to play in contributing to a collective and accurate understanding of ALMPs and their effectiveness in Egypt.** This group includes the Economic Research Forum and the Egyptian Center for Economic Studies (ECES), both of which conduct labour market and macroeconomic research, and the Population Council, which provides research and nationally representative data on young people's school-to-work transition, labour market barriers, aspirations and other life course transitions.

**The role of the private sector as an active stakeholder in the implementation of ALMPs has been increasingly acknowledged.** The analysis of the Youth Employment Inventory for Egypt shows that the private sector has been involved in selected interventions, yet has not had the leading role in the implementation of programmes. The focus on on-the-job training and demand-driven interventions, or other ways of involving the private sector in ALMPs, has been limited, though growing in recent years.

**The dynamics among stakeholders that shape the formulation and implementation of ALMPs are complex and characterized by limited coordination both between the different clusters of stakeholders as well as among the stakeholders in each cluster.** Coordinated efforts tend to be associated with a project (e.g. the Egyptian Observatory for Education) or a donor-led forum such as the Egyptian Forum for Youth Employment Promotion (Egypt-YEP, supported by ILO and GIZ). Yet even among donors coordination and collaboration efforts are limited. Donors and international organizations often partner

with government independently to pursue specific mandates and priorities. As such, coordination and collaboration among donors is difficult. Even when special platforms were created to coordinate donor activities (such as the Donors Partners Group and its thematic groups on topics such as education, social protection and health), they tend to serve as forums for information sharing and not for collective planning and advocacy efforts. Hence, the different country-specific agendas and mandates often make it difficult for donors and international implementing partners to build on the experiences and effective models of other organizations.

*“The MOM should be the first key player in charge of the ALMP strategy in Egypt, yet its mandate does not clearly state its responsibility towards employment policy in general and ALMPs in particular.”* Former policy maker and current university professor.

**Enhanced institutional coordination and ownership related to employment policy in general and ALMPs in particular would be conducive to creating an enabling environment for the formulation and implementation of effective ALMPs.** The Ministry of Manpower is responsible for labour inspection, industrial relations, conflict resolution, employment services and for providing a labour market information system. Yet it is not playing the role of facilitator and coordinator when it comes to ALMPs. There is no overarching mechanism in place to monitor public and private ALMP provision, or to devise a framework for identifying specific target groups, geographical areas etc. Many stakeholders interviewed during the course of this study support this premise, highlighting that at the institutional level a coordinating institution that could lead employment policy, including efforts to promote ALMPs, would be conducive.

### 3.3 Evidence from ALMPs in Egypt

The following section focuses on a review of the evidence for ALMPs for youth by focusing on the four key categories of ALMPs: skills development, entrepreneurship, employment services and wage subsidies. In each section, we provide a definition for each of the four categories, then we give an overview of the global evidence base describing “what works” in the effective design and implementation of ALMPs. Finally, we compare this global evidence base to the programming landscape in Egypt and provide some recommendations how Egypt can better integrate lessons from global evidence into its programming framework.

It should be noted that most global evidence and research on “what works” in ALMPs for youth comes from outside Egypt and while we do not pretend that the recommendations can be easily replicated in the Egyptian context, there still are valuable lessons to be learned in generalizing from experiences outside the country.

Much of the evidence stems from published research using different methods of impact evaluation. Impact evaluation research allows us to answer the question “what would have been the impact on beneficiaries without a particular intervention?” by using a counterfactual situation to establish attribution between an intervention and its supposed impacts.

#### 3.3.1 Skills development

**Training-related ALMPs comprise programmes outside the formal education system that primarily offer the following types of services, or a combination thereof, with a typical duration of less than six months:**

- (a) **Technical and vocational training**, i.e. trade- or job-specific skills training programmes ranging from manual skills to administrative skills including computer literacy.
- (b) **Soft skills training**, also called core skills or life skills, such as training on communication, critical thinking, self-control, self-esteem, motivation, conflict-resolution, etc.
- (c) **On-the-job training**, including internships, and practical learning-by-doing in a real work setting (during training or employment) to gain work experience.
- (d) **Literacy and numeracy training**, often called basic or foundation skills, which is the foundation of communication and further skills development processes.

**Each type of training responds to a different skills gap**, including the mismatch or lack of technical skills, lack of behavioural/soft skills, lack of work experience, or insufficient basic (literacy and numeracy) skills.

### *3.3.1.1 Global evidence and promising practices*

**Global evaluation evidence indicates that skills training programmes can be effective in improving employment outcomes for young people, especially in low- and middle-income countries** (Goldin et al., 2015; Kluve et al. forthcoming). While the global average magnitude of impact of skills training interventions is relatively modest, research has documented a higher impact of skills training programmes on labour market outcomes for youth in low- and middle-income countries.

The following results and good practices have emerged from experiences across the globe (see for example Cunningham et al. 2010; Goldin et al. 2015; Honorati and McArdle 2013; Kluve et al. forthcoming).

- **Comprehensive multi-service training interventions tend to be more effective in low- and middle-income countries.** Combining classroom-based technical and life skills training with on-the-job training tend to be more effective than providing classroom-based vocational training only. Complementing training with a personalized counselling and customized job search assistance or job placement is also associated with programme performance. Such “comprehensive” training programmes for youth implemented in several countries in Latin America (“Jóvenes” programmes) proved to be effective in promoting employability.
- **Multi-setting approaches are more promising than stand-alone classroom-based skills training approaches.** Skills development programmes that expose trainees to different environments by combining in-classroom with demand-driven, on-the-job training effectively improved labour market outcomes of young people in the past. Involving the private sector contributes to ensuring that the skills taught match those demanded by the productive sector (Kluve et al. forthcoming).
- **On-the-job training shows promising results.** Given that employers value previous work experience, on-the-job training can play an important role. OECD countries such as Germany and Switzerland have institutionalized on-the-job training through their formal apprenticeship systems. The potential of on-the-job training in developing countries is illustrated by impact evaluation results in Kenya and Yemen suggesting that youth placed in internships were more likely to be employed than those who were not in the programme (Honorati 2015, McKenzie et al. 2015).

- **Soft/core employability skills trainings are promising but the programmatic evidence is still mixed.** A growing evidence base shows that soft/core employability skills rival other skills in their ability to predict employment, earnings and lifetime success (Kautz et al. 2014). Employers in the MENA region and around the world value these skills and report that job candidates lack them. The five types of soft/core employability skills that have been found to be most important for labour market success include: (i) social skills (getting along with others, resolving conflict), (ii) communication skills, (iii) higher order thinking skills (problem solving, critical thinking, decision making), (iv) self-control (manage emotions, regulate behaviour), and (v) a positive self-concept (self-confidence, self-efficacy, self-awareness, etc.) (Lippman et al. 2015). However, more evidence is needed on how best to teach these skills.
- **Literacy and numeracy training may be needed when dealing with vulnerable individuals that have only limited schooling.** These programmes tend to be more successful when they provide some certification. A certified degree or completion diploma represents a signal to a potential employer that the person has acquired basic skills. For instance, the “second chance” component of Chile Califica was effective in increasing wages and post-programme schooling outcomes (Santiago Consultores 2009).
- **Gender-sensitive design matters.** Programmes often need to be adapted to suit the needs of female participants. For example, relevant programme design features may include female trainers, flexible training hours, transportation, and child-care arrangements (Population Council 2010).
- **Programmes should consider demand-driven aspects and encourage collaboration with the private sector.** This can be done through ex-ante agreements with employers to provide internships/jobs (for which the youth are then trained), engaging them in the selection of the training contents, as well as by involving them in the provision of practical training on the job.
- **Programme design and governance mechanisms tend to influence results strongly.** A competitive selection process (e.g. calls for proposals) contributes to identifying appropriate programme implementers and training providers. Moreover, incentives for service providers such as performance-based contracts and pay-for-results contract arrangements that provide payments only for certifications achieved, or job placements actually made, may be preferable.

### *3.3.1.2 The programming landscape in Egypt*

**While improvements in the national skills development system have taken place over the last decade in Egypt, several challenges remain,** in particular weak coordination due to the large number of agencies involved in its regulation and in implementation of programmes. Training-related ALMPs need to be distinguished from the formal education and training system, which provides skills for broader occupational competence, with programmes usually ranging from one to four years. Technical and Vocational Education and Training in Egypt has traditionally been supply-driven and not matched with labour market needs (ETF 2011; ETF 2015; Krafft 2015), while also constrained by its quality and available equipment. The limitations of the formal TVET system are partially due to the absence of an overall government strategy and vision, high levels of stigma, and fragmentation of decision making and goal settings regarding vocational education in Egypt (see World Bank 2014 for a detailed review of the TVET institutional landscape). What complicates the landscape in

Egypt is that some ministries such as the Ministry of Housing and the Ministry of Manpower offer short-term vocational training (3-6 months), which could be considered ALMPs if properly targeted. While these programmes are often meant to address school drop-outs and other more vulnerable individuals, admission in reality is open to anyone, hence targeting mechanisms are not applied. In addition, non-formal training provision offered by NGOs, in some cases registered under the Ministry of Social Solidarity, could show both characteristics of ALMPs and of full-fledged vocational training programmes leading to occupational competence. Given the heterogeneity of the skills system in Egypt, an absence of nationally adopted skills standards or a uniform qualification system, certification of skills training is defining criteria, since each and every provider, public and private, issues certificates, the value of which is generally questioned by labour market actors.

**Over the years, there has been greater attention to providing soft skills training**, due to the perception that young people lack an awareness of work ethics and of their rights and responsibilities in the workplace. While in the beginning most skills development interventions used to either focus on technical or soft skills training, current programmes are increasingly offering both soft and technical skills. Indeed, soft skills and TVET have become the two most common types of skills development interventions in Egypt, based on the data documented in the YEI.

**On the other hand, on-the-job training interventions have traditionally been limited in number.** It is important to highlight that on-the-job-training does often not appeal to employers, particularly small or medium-sized enterprise owners, who generally lack the incentives to properly train their workers, because trained workers tend to get better job offers and often leave the enterprise after being trained (USAID 2013). Hence, well-thought-out types of incentives or ALMPs for employers and business owners are needed to boost the implementation and success of such types of skills development programmes in Egypt. A scheme in Egypt that successfully integrates classroom-based and on-the-job training is the dual system, an apprenticeship system formerly known as the Mubarak Kohl Initiative (MKI) for Vocational Education Training and Employment Promotion. It was introduced in 1994 with support from GIZ as an upgrade of existing technical secondary education, and became a self-sustaining model under the Ministry of Education. Currently, nearly 30,000 apprentices are trained in 1,900 companies and 176 schools, supported through 29 Regional Units for the Dual System. However, since the scheme is part of formal TVET in Egypt, it cannot be considered an ALMP (Adam 2010, UNDP 2010, NCHRD 2015).

**Over the last 10 years, there has been some shift towards more demand-driven skills development interventions through partnerships between training providers and the private sector.** At the system level, national skills standards were developed with close involvement of industry, under the SFD, and later under the ITC, supported by the World Bank and the British Council. Sectoral Enterprise Training Partnerships (ETPs) were created to support skills coordination at sector level, supported by the European Union. At the programme level, the Skills Development Project funded by the World Bank was followed by the National Program for Training for Employment implemented by the ITC, with funding from the UAE. These schemes, while offering demand-driven targeted training, were initially designed as a subsidy for industry and not as ALMPs, hence neglecting targeting. The recent SFD-World Bank pilot initiative Training for Employment, supported by the European Union, required implementing NGOs to conduct market assessments prior to implementation and to place at least 65 per cent of the targeted number of beneficiaries into jobs, with written contracts and social security benefits. Similarly, on the civil society side, NGOs such as Nahdet El Mahrousa, Alashanek Ya Balady, or Education for Employment

have implemented employment-oriented projects. The ILO's Decent Jobs for Egypt's Young People project also piloted a Training for Employment scheme implemented in collaboration with business associations and ETPs, which subsidizes training of formerly long-term unemployed new recruits on the condition that companies sign formal employment contracts prior to training provision. These interventions typically have in common the provision that training of beneficiaries be conducted for specific vacancies identified in advance, thereby fostering the probability of achieving job placements.

### *3.3.1.3 Comparison between global evidence and current practices in Egypt*

**Despite recent progress towards better programme design, training-related ALMPs in Egypt could benefit from a number of recommendations that stem from global evidence:**

- Labour market assessments (related to wage- and/or self-employment opportunities) need to be enforced as standard practice before designing any training programme, to align such interventions with local context and local labour market needs and thus make them demand-driven.
- Skills-related ALMPs implemented in Egypt mostly offer in-classroom training on either soft or technical skills, despite the limited results such stand-alone interventions are expected to deliver.
- On the other hand, on-the-job training is, despite its great promise, still largely missing from the Egyptian context. On-the-job training can be a combination of technical and soft skills training.
- Despite the increasing efforts towards demand-driven trainings, such good practices remain small and are rarely scaled up.
- Gender-sensitive programme design, despite its vital importance, is not very common.
- First attempts at performance-based contracting are being undertaken (e.g. by SFD), yet remain the exception rather than the rule.
- Combined efforts are needed to improve the reputation of private sector jobs and technical occupations. This will require tapping into new channels to influence youth aspirations and expectations, such as working together with media institutions to engage families and young people in conversations about what constitute well-respected and decent employment opportunities.
- Different approaches to improve employee retention to break the vicious circle of “high fluctuation - low investments in employees” should be tested and evaluated; these approaches could include soft skills training, on-the-job counselling, commitment tools, and improved working conditions.

### *3.3.2 Entrepreneurship promotion*

**Entrepreneurship-related ALMPs consist primarily of the following types of interventions (or a combination thereof):**

- (a) **Entrepreneurship/business training:** for example training on idea generation, market analysis, business plan development, marketing, and book-keeping. In addition, financial

literacy training can be offered to help prospective entrepreneurs understand how to manage financial resources and basic concepts regarding financial services such as savings, debt management, and insurance. These interventions may be combined with technical and soft skills training as well as numeracy and literacy skills training (see Section 3.3.1 on training-related ALMPs for more details on each type of training).

- (b) **Access to finance:** This involves linking beneficiaries to financial service providers or directly providing start-up financing as needed. This might include one or a combination of the following: (i) access to individual or group savings (formal or informal); (ii) start-up financing in the form of cash or in-kind grants, e.g. as start-up subsidy or prize money; or (iii) access to credit and insurance by connecting beneficiaries with microfinance institutions and commercial banks or through targeted funding mechanisms such as revolving funds.
- (c) **Advisory services:** Advisory services consist of business support services during the business plan development, start-up and post-creation stage, mainly: (i) group mobilization; (ii) coaching and mentoring; (iii) administrative assistance with regard to licensing and registration requirements; (iv) assistance with improving production and service techniques; and (v) incubation and cluster support, for example access to physical space.
- (d) **Access to markets:** Access to market support connects beneficiaries with regional, national, and international markets. This also includes holistic approaches such as value chain integration or targeted support in specific areas, such as linkages to exhibitions and trade fairs, linkages to potential clients and intermediaries, transportation and distribution support, and creating brands and labels to support the marketing process.

**ALMPs to promote entrepreneurship primarily address start-up constraints**, but may also seek, directly or indirectly, to promote firm growth and thereby contribute to stronger labour demand. More specifically, each type of entrepreneurship support addresses a different type of barrier, namely insufficient skills to start a business, lack of access to finance, lack of social networks and access to qualified advisors, and limited understanding of and access to prospective clients and markets.

### *3.3.2.1 Global evidence and promising practices*

**While impact has been heterogeneous across entrepreneurship interventions, it has been shown that entrepreneurship programmes can yield strong results** (Kluve et al. forthcoming). Nevertheless, evidence suggests that entrepreneurship programmes have been more successful in stimulating business creation than business growth or employment creation. It seems much easier to have an effect on management practices, sales and (short-term) profits than on employment. Many interventions seem to lead to changes at the intensive margin, but fail to deliver productivity increases that go hand in hand with more jobs. (Grimm and Paffhausen 2015; Patel 2015). Moreover, effects can vary widely between men and women. A shortcoming of the current literature is that very little is known about long-term effects and cost-effectiveness of entrepreneurship programmes.

The following results and good practices have emerged from experience across the globe (see for example Cho and Honorati 2013; Cunningham et al. 2010; Grimm and Paffhausen 2015; Kluve et al. forthcoming; McKenzie and Woodruff 2012; Patel 2015 for a review of the evidence base).

- **Implementers require a good understanding of market opportunities.** Young entrepreneurs often have limited information about market potential and may tend to

launch the types of businesses they are familiar with in areas that are already saturated. It is therefore important that implementing agencies themselves have a strong understanding of local markets and new business opportunities (e.g. through ex-ante market studies), in order to guide young entrepreneurs in the right direction.

- **Access to finance is a key support mechanism for young entrepreneurs. Multi-pronged approaches to entrepreneurship that complement financial support with business support services have proven promising.** Grants have been shown to be successful for starting up businesses. For instance, cash grants targeted at youth groups in capital-constrained environments in Uganda, a business plan competition in Nigeria, or in-kind grants in Chile have shown strong results (Blattman et al. 2013; Martinez et al. 2016; McKenzie 2015). Loans are often not easily available for start-ups, especially for young people, due to lack of collateral and/or perceived risk by the youth themselves. Even microcredit is typically targeted at existing small businesses, and has been found to be more effective for existing rather than new entrepreneurs (e.g. Crépon et al. 2014). Evidence suggests that combining access to finance with additional support services can prove to be effective, particularly for young people. For example, the ILO's Start Your Business training combined with a micro-loan showed strong impacts on income and family employees for male-owned businesses (Fiala 2015). The right mix of financing tools for different segments of the population and different stages of self-employment remains an area for experimentation and future research.
- **Entrepreneurship training alone is not enough. Overall, comprehensive programmes tend to be more effective at starting and growing businesses.** Since young entrepreneurs typically face several barriers, including insufficient skills, lack of capital, and lack of networks, holistic programmes are needed under most circumstances. While stand-alone business training/education programmes may increase business knowledge and skills, it is typically insufficient for generating employment and higher earnings, as illustrated by an entrepreneurship training programme for university students in Tunisia (World Bank and ONEQ 2016). Indeed, entrepreneurship training complemented with financial support and advisory services improves labour market activity more than training or finance delivered on their own. Holistic approaches have been adopted under a variety of support models depending on the specific target group, such as the Graduation Model (for the extreme poor), microfinance plus and microfranchising (for low-income vulnerable groups), and incubators (for growth-oriented entrepreneurs).
- **Formalization of informal business** is highly relevant to facilitating the transition from the informal to the formal economy and creating quality jobs. Formalization is seen as a means of breaking the vicious circle of low productivity and precarious working conditions prevailing in the informal economy. Despite this, empirical evidence on what works and what does not work to formalize SMEs is still scarce. Overall, the effects of formalization interventions on levels of formality, enterprise performance and employment are modest. The limitation of this finding is that evaluations have mostly focused on business entry reforms (ILO 2015d).
- **As part of a holistic approach, non-business related support may also be needed.** Depending on the needs of the target group (e.g. young women facing socio-cultural constraints), programme effectiveness may be contingent on providing additional support services to help beneficiaries engage in (self-) employment activities. For example, this can include strengthening peer networks (social capital), enhancing decision making

capacity, providing information on (reproductive) health topics, etc. A phased approach may be needed whereby these empowerment aspects come first, with livelihood support being added over time. Examples of such programmes include the impact evaluation of Bangladesh Rural Advancement Committee's Empowerment and Livelihood for Adolescents programme and the Population Council's Neqdar Nesharek programme in Egypt.

- **Follow-up support is critical as one of the key challenges for young businesses is business survival.** Ongoing assistance and support during the start-up and early implementation phase is essential, e.g. through coaching and/or mentoring arrangements.
- **Access to markets and value chains.** The ultimate challenge for new entrepreneurs is improved access to clients and markets. While quantitative evidence is still limited, it is commonly accepted that components that help connect entrepreneurs to markets are important ingredients of entrepreneurship programmes.

### *3.3.2.2 The programming landscape in Egypt*

**Entrepreneurship promotion programmes implemented in Egypt have traditionally been concentrated in a few institutions.** In particular, the SFD has been the main actor in supporting small and micro-enterprises in Egypt. Since its creation in 1991, the SFD has been mandated to set the development strategy of the SME sector (SFD 2005). Its lending to small and micro-enterprises has increased substantially over the years, from EGP1.1 billion in 2010 to EGP4.5 billion in 2015. In 2015, more than two-thirds of disbursements were granted to small enterprises, totalling around 20,000 projects and around 89,000 job opportunities, while one-third was granted to micro-enterprises, totalling around 188,000 projects creating 211,000 job opportunities (SFD 2012, 2014 and 2016). SFD is also responsible for the provision of financial and non-financial services to small and micro-enterprises, such as short-term courses on entrepreneurship-related skills such as business skills, marketing and business proposals development. In 2013, SFD also launched its new Entrepreneurship Program with the aim of raising awareness of the value of entrepreneurship among young people, women and university students. In addition to SFD, there are many NGOs providing microfinance services in Egypt, such as the Alexandria Business Association, the Sawiris Foundation for Social Development, and the Friends of Environment and Development Association (FEDA) in the governorate of Sohag.

**Despite the general availability of financial services through SFD or other microfinance institutions, young people often do not benefit from these opportunities.** The share of SFD loans amounting to less than EGP10,000 and the share of loans ranging between EGP10,000 and EGP50,000 are 19 per cent and 13.6 per cent of total loans respectively, whereas loans from EGP200,000 to EGP2 million represent more than 50 per cent of all granted loans. This distribution suggests that the majority of funding goes towards relatively established firms, not start-ups, despite the fact that start-ups are proven to create more youth employment opportunities. Moreover, young people below the age of 30 are not among the common beneficiaries of the SFD loans. Only 11 per cent of loans for micro-enterprises and 22 per cent of loans for small enterprises are granted to individuals under 30 years old (SFD 2016). Many studies have also highlighted that young people are unable and unwilling to access funds offered by SFD, either due to the restrictive nature of requirements to access credit or to lack of knowledge and misperceptions about credit acquisition (Sieverding 2012).

**The combination of financial and non-financial services is relatively new.** An increasing number of implementing organizations have been providing non-financial services to their beneficiaries. For instance, the Alexandria Business Association, one of the leading microfinance NGOs in Egypt, offers combined financial and non-financial services. The Sawiris Foundation for Social Development also provides loans along with training on financial and marketing skills. However, it is not yet common practice among implementing agencies. At SFD, while non-financial services such as business trainings are offered, they are not automatically linked to loan recipients. For instance, SFD's entrepreneurship programme launched in 2013 provides accredited training in business skills (using the ILO Start and Improve your Business toolkit) and counselling services to small and micro-enterprises, but does not combine such training with financial services.

**A recent trend has been the emergence of incubators and initiatives focusing on innovative start-ups.** While these initiatives are not targeted at vulnerable groups, they complement existing services for young people by typically offering training and incubation to highly educated youth with start-up ideas and create linkages between them and potential investors. In doing so, they are applying a different approach than SFD, which focuses primarily on providing loans that are not commonly accessible or attractive to young people. One example of incubators and accelerators is the American University in Cairo's (AUC) Entrepreneurship and Innovation Program (EIP), established in 2010, which seeks to incubate, connect and support talented young people. Since its launch, the EIP has engaged in raising awareness, mentoring, competitions, training and incubation programmes, as well as connecting entrepreneurs with investors. Over a short period, EIP activities have helped more than 5,000 entrepreneurs from all over Egypt, as well as in Lebanon and Dubai. Part of EIP's development has been the launch of the AUC Venture Lab to contribute to job creation by enabling innovative start-ups to capitalize on AUC's knowledge, wide network, outstanding facilities and alumni network. Other active incubators include Endeavour Egypt, Flat 6 Labs, the Egyptian Junior Business Association, RISE Egypt, Injaz Egypt and Enactus Egypt.

**In addition to individual entrepreneurship promotion programmes, there have also been attempts to introduce entrepreneurship concepts into the formal education system (so some may not consider this to be an ALMP).** For instance, the ILO's Know About Business (KAB) toolkit has been integrated into the curriculum of some technical schools (Karuga and El-Din 2015). KAB will also be rolled out to 2,000 schools targeting 1.6 million students in collaboration and with support from the Ministry of Education. This may contribute to the institutionalization and sustainability of entrepreneurship promotion efforts.

**Many entrepreneurship promotion initiatives have emerged over the years with the objective of boosting job creation in Egypt, yet may benefit from a coordinated approach.** These initiatives were mainly implemented by civil society organizations. However, there is limited documentation of the different training approaches and coaching methods are still not well established. As with skills-related ALMPs, there is a lack of a clear vision of entrepreneurship promotion in Egypt. This is evident from the recent debate about creating a new entity for SMEs in relation to the role of the Ministry of Trade and Industry. Furthermore, there remain concerns among relevant stakeholders that this type of support is promoting small-scale/subsistence entrepreneurship which is prone to increasing the informal sector.

### 3.3.2.3 Comparison between global evidence and current practices in Egypt

**A positive development has been the increasing combination of financial with non-financial support in recent years with the aim of improving the sustainability of the business activity.** Indeed, in line with global evidence, lessons emerging in Egypt based on the ILO's Decent Jobs for Egypt's Young People project evaluation reports confirm the importance of combining access to affordable quality business development services with access to finance (Al-Shareef 2015; Karuga and El-Din 2015). That said, the following areas for programme improvement remain:

- More effort is still needed to shift towards combined financial and non-financial services in one programme as general advice for implementing agencies, as opposed to business training or access to finance alone.
- In terms of access to finance, it is necessary to test which type of financial support works best for different target groups, e.g. in-kind vs. cash grant vs. loans vs. Islamic finance. Moreover, microfinance products targeted at young people must be developed and tested.
- Post-start-up advisory services such as coaching and mentoring are not yet mainstreamed as integral elements of entrepreneurship programmes and often lack structure and quality.
- Ex-ante assessments of market potential and subsequent support to connect beneficiaries with clients and markets are mostly not provided in Egypt.
- Access to market linkages should be more commonly incorporated into programmes.
- More research is needed on intervention models for opportunity and subsistence entrepreneurship.

#### *3.3.3 Employment services*

**Employment services consist primarily of the following types of interventions, or a combination thereof, implemented through a variety of implementation modalities, for instance centre-based, ICT-based, etc.:**

- (a) Career guidance/counselling:** Includes services such as providing information on the labour market and specific occupations, aptitude testing, vocational guidance, developing career plans, etc.
- (b) Job search assistance:** Typically involves training on CV writing, interview preparation, and how to search for jobs.
- (c) Job placement and matching services:** Includes for example job fairs, referral of jobseekers to vacancies, and services for employers (posting and managing vacancies, searching profiles, pre-selecting candidates, etc.).
- (d) Referrals to other services,** in particular to other ALMPs (e.g. training, subsidized work), social or legal services as needed.
- (e) Skill certification and training centre accreditation:** While these are not services provided by employment service providers, they seek to help workers communicate their skills to employers and thus improve signalling in the labour market.

**Employment services address job search constraints and the lack of labour market information** among young people and employers that can create barriers for jobseekers and potential employers seeking to find each other. Indeed, employment services are primarily concerned with labour market intermediation, that is, connecting labour supply (workers) with labour demand (employers).

### *3.3.3.1 Global evidence and promising practices*

**International experience suggests that employment services can be a cost-effective type of ALMP**, provided that a reasonable supply of job vacancies is available (e.g. Betcherman et al. 2007; Kluve 2006; Lehmann and Kluve 2008). However, current evidence suggests that the effect of employment services is limited if the goal is to improve earnings (Kluve et al. forthcoming).

The following results and good practices have emerged from experience across the globe (see for example ILO 2015b; Kuddo 2012).

- **Reliable labour market statistics are an essential element in providing good orientation and matching services.** Collecting reliable and up-to-date labour market statistics about youth and the economy, including growth sectors and wage developments across occupations, is key for effective employment services.
- **Promote governance structures and sound performance management** by leveraging non-public employment service providers. This can increase the geographic coverage, scope of available services, and efficiency. Contracting of external service providers (e.g. NGOs) should follow a competitive bidding model and performance-based contracts (e.g. based on job placement and sustainability of jobs). Additionally, there should be clear performance indicators, targets, and processes for monitoring results.
- **Foster institutional capacity by providing sufficient human, financial and technical resources.** Employment services require trained staff and efficient information systems to effectively match jobseekers with employers. For instance, the staff caseload – the ratio of clients to employment counselling staff – should ideally be around 1:100 – 1:150. Excessive caseloads do not allow for personalized job intermediation services.
- **In general, clients who receive intensive (more hours) employment services are more likely to achieve long-term employment.** That being said, intensive employment services have been shown to create a displacement effect favouring the clients, where jobseekers were competing for a limited amount of jobs (Crépon et al. 2013).
- **Many employment services suffer from low take-up rates**, which may be due to poor targeting, lack of a demand-driven approach, or weak marketing strategies
- **Effective management and targeting of employment services can help ensure reliable service delivery and cost efficiency.** Sound service delivery requires a good understanding of the specific needs of different types of jobseekers (profiling) and matching them to the right kind of services accordingly. Thus, less intensive interventions (information, access to vacancy databases, etc.) and more intensive services (individual counselling, individualized career plans, referral to ALMPs) need to be appropriately targeted and sequenced.

- **An active network of partner organizations and coordination with relevant stakeholders is essential to build up cooperation with the private sector regarding the needs of employers and available vacancies.** Public employment services (PES) assume the role of managing relations with the various institutions and external service providers.
- **Multi-channel outreach efforts ensure young people's awareness of available services.** Multiple communication channels should be leveraged and multiple partners involved, such as online and social media platforms, linkages with schools and community organizations, mobile services (e.g. outreach officers on wheels), families and peers.
- **Information and Communication Technologies (ICT) can provide an opportunity to offer employment services across larger areas.** The use of internet, radio, or mobile phone text messaging can be done as a stand-alone or in combination with a centre-based approach.
- **Career guidance should be offered as early as possible (e.g. in cooperation with schools) and should be aligned with sectors and occupations in demand.** Such early and targeted guidance can help young people make better education and career choices.

### *3.3.3.2 The programming landscape in Egypt*

**The Ministry of Manpower is the main entity responsible for the provision of labour market information and employment services.** The MOM has over 300 public employment offices spread across all governorates which are responsible for the registration of jobseekers and job vacancies and the issuance of work permits. However, the public employment offices are reported to be generally underdeveloped and under-resourced, lack information systems and mainly play a bureaucratic role of registering jobseekers (Semlali and Angel-Urdinola 2012). Research suggests that staff of public employment services is not sufficiently qualified to help match labour supply and demand (Amer 2012).

**In order to address the long inherited challenges of those public employment services, Global Affairs Canada (GAC) (formally Canadian International Development Agency) developed the Egyptian Labour Market Service Reform programme between 2001 and 2007.** The project improved office equipment and facilities of 37 public employment offices and trained its staff on employment counselling. The evaluation report of this reform programme highlighted that despite the modernization of the equipment and facilities, and the training of office staff on employment counselling, the project yielded only a mild impact on services delivery and employment counselling. This was mainly attributed to the lack of adequate staff (Semlali and Angel-Urdinola 2012).

**Recent technical assistance projects focused on providing direct employment services as well as providing support to public employment offices, youth organizations and enterprises to better match labour supply and demand.** In order to promote career guidance the ILO in cooperation with MOM implemented the Transition to Employment: Career Guidance for Youth and Job Creation project which established five career guidance units within PES between 2008 and 2012 and ten career guidance units within technical secondary schools between 2012 and 2014. Career guidance has also been introduced in the curriculum of 57 secondary schools in 12 governorates with GIZ support (Zelloth 2015). The ILO Decent Jobs for Egypt's Young People project (2011-2019) includes a component on employment services which contributed to upgrading six PES offices in three governorates

by 2013 (see Box 4). The project provided capacity building for PES staff, including directors and labour market advisors, in career guidance and labour market information. The project also supported job placement through organizing job fairs. Job search clubs as an innovative ALMP have been introduced in collaboration with the Ministry of Youth and Sports.

**Box 4: User satisfaction with Public Employment Services (PES)**

Between October and November 2015, the ILO Decent Jobs for Egypt's Young People project conducted three opinion polls which focused on evaluating the performance of public employment offices. The polls collected information on the satisfaction of various stakeholders (including office staff, jobseekers and employers) with the performance of the PES office in the 18 offices upgraded by the ILO DJEP project and the Career Guidance project.

The results of the polls showed that services staff considers the PES weakness to be related to the lack of personnel, in particular job counselling specialists, and the lack of modern equipment. Youth and employers reported mixed opinions regarding the relative performance of private employment offices as compared to public employment offices. However, 90 per cent of young people who registered at a PES office to find a job reported not having received any job offer and only 4 per cent said they had received career guidance services and/or labour market information. About 45 per cent of respondents who received a job offer said that it did not match their qualifications. On the other hand, half of the employers who contacted PES for hiring in the two years prior to the evaluation declared that they were satisfied with the skills and qualifications of youth candidates nominated by the labour offices, and with the quality of employment services.

Source: ILO and Gisir Institution for survey research 2015.

**Employment services with strong private sector involvement have emerged as a complementary model to PES.** The main example is the National Employment Pact (NEP) which focuses on providing employment services to blue collar workers. The NEP is an initiative of the German-Egyptian Business Community and the German-Arab Chamber of Commerce and Industry, and is supported by GIZ. As part of this project, three NEP employment centres were established in Greater Cairo with the aim of providing job preparation and placement services. Jobseekers receive training on basic soft skills and are matched with job vacancies. Job offers must comply with quality standards set by the NEP: reasonable salary, safe working conditions, social and health insurance and a contract (Wahba 2015). It provides a prominent example of the active participation of the private sector in training development, on-the-job training and provision of decent jobs, yet remains dependent on donor funding.

**Non-governmental organizations are increasingly stepping in to provide employment services, including through ICT.** For instance, a well-known initiative are the Career and Entrepreneurship Development Offices in Egyptian universities initiated through the NGO Nahdet El Mahrousa. Other youth employment projects focusing on skills development and micro-enterprise support components increasingly add career guidance components aimed at providing support and referrals for young people through job search assistance and a work placement, for example the Meshwary project implemented by the United Nations

Children's Fund (UNICEF) and the Youth Association for Population and Development. Recently, new initiatives that use ICT channels to deliver employment services emerged, such as the Career Advice and Self-Learning Groups, implemented by Al Gawady NGO for Community Development. This intervention established a website, a YouTube channel, a career-counselling centre and self-learning groups to help youth gain communication and negotiation skills. The intervention offered workshops on how to plan and start a business, strategic planning and marketing assessment. Its most known service is the Ma'an Group – a Yahoo group that advertises jobs, scholarships and events related to youth employment.

**In order to make employment services more effective, several initiatives attempted to establish mechanisms to identify demand for skills and match skills supply.** An early such initiative was the creation of the Egyptian Education, Training and Employment Observatory (EETEO) in 2006 by the Information and Decision Support Center (IDSC) in cooperation with the European Training Foundation and other institutions. The aim of the EETEO was to develop capabilities, analyse information and forecast education, training and employment needs in order to fulfil labour market requirements, but it was eventually discontinued. This idea of a labour market observatory (LMO) has been revived by GIZ at the local level in Egypt. The project formed a team of relevant stakeholders, including the Ministry of Education (MOE), MOM, private sector association and researchers, with the aim of sharing data and making available labour market information to improve the information base for policy makers. As of 2016, six regional LMO have been developed in Sadat City, 6th October, Aswan, Port Said, Suez and Ismailia (ETF 2015).

### *3.3.3.3 Comparison between global evidence and current practices in Egypt*

**Public Employment Services in Egypt can improve on many of the important elements that, based on global experience, have the potential to make employment services in Egypt more effective:**

- The ample number of NGOs providing employment services to complement the public system tend to offer promising models, as they are more closely aligned with good global practices, such as offering more individualized services, building strong partnerships with the private sector, and leveraging technology solutions. However, working modalities between the public employment service and the multitude of NGOs and private sector providers are absent and should be established in accordance with international standards (see ILO Convention 181) in order to achieve common objectives and synergies.
- Reform public employment services (PES) to upgrade equipment and staff training and provide governance and accountability measures to incentivize quality counselling and job placements (i.e. performance-based management).
- Continue to foster development of labour market information systems and early career guidance services (e.g. in schools, higher education institutions).
- Further invest in and evaluate different models with strong private sector buy-in, such as the National Employment Pact.
- Continue to implement improvements regarding relevant design features and implementation arrangements, including labour market intelligence, outreach and targeting, institutional capacity, partnerships and governance.

### 3.3.4 Subsidized employment

**ALMPs related to subsidized employment consist primarily of two broad types of interventions:**

(a) **Public works/services**, often called “employment-intensive investment projects” or “cash-for-work”, i.e. short-term employment opportunities in exchange for beneficiaries’ work on construction or maintenance of public infrastructure. This includes classical infrastructure projects such as road maintenance or garbage collection but also investments in social infrastructure, such as day-care centres, public spaces and health centres.

(b) **Wage subsidies**, (or hiring subsidies, or employment subsidies) are transfers to employers or employees that cover at least part of the individual’s wage and non-wage employment costs. Their main goal is to provide incentives for employers to hire members of the target group.

**Both types of interventions seek to address constraints related to depressed labour demand.** In the absence of sufficient demand for labour, subsidized employment is intended to either directly create employment (public works) or encourage hiring (wage subsidies). In the case of public works, this is often the case as a response to economic shocks, for example in Egypt following the 2011 revolution, and primarily targeted at low- to semi-skilled workers. In the case of wage subsidies, they can be targeted at all education and skills levels, and are typically used to encourage the hiring of particularly vulnerable individuals that employers are reluctant to hire, either because their expected productivity is too low relative to the market wage and/or because of stigma or social norms (e.g. long-term unemployed, young women).

#### 3.3.4.1 Global evidence and promising practices

##### **Public works/services**

**The larger literature finds inconclusive evidence on the impact of public works programmes** aimed at increasing employment beyond the programme duration (Cunningham et al. 2010). While short-term effects on employment and income can be substantial, which is the key objective of these programmes, the effects on post-programme employment are typically limited.

**Proven and promising features of public works/services programmes** (Subbarao et al. 2013):

- **To ensure a high labour intensity of the works/services provided, a significant portion of programme expenditures should go to wages as opposed to machinery, tools, and equipment.** The programme design should take into account community involvement when selecting the works and services to be provided. Selected activities should be gender-sensitive, and include those suitable for both women and men.
- **Geographic targeting can be adopted if poverty is disproportionately high in some areas.** Transparent measures of vulnerability may be suitable (e.g. proxy means test, community rankings).
- **Cash payments are typically more transparent and cost-efficient than in-kind payments.** Payments should take place relatively frequently (e.g. bi-weekly) and to the extent possible be linked to an electronic delivery system (e.g. ATM cards). Unique identification of beneficiaries is needed.

- **In order to foster impact beyond the programme duration, programmes can offer complementary services**, including training and linkages to other social services. Research on additional social services is scant, though there are studies assessing the impact of a joint training and public works programme, for example Bertrand et al. (2016).

**Box 5: Impact assessment: Combining public works programmes with complementary services**

Global evidence suggests that public work programmes have typically demonstrate employment effects in the short-term only. A recent impact evaluation administered by the World Bank and Government of Ivory Coast in the context of the Projet Emploi Jeune et Développement des Compétences (PEJEDEC) in Ivory Coast explores whether these effects can be extended beyond the period of direct employment.

Using a randomized control design, the study compares effects for three different treatment arms compared to a control group. The treatments arms are: public work employment only, public work combined with self-employment, and wage-employment training. This design allows the assessment of the relative performance of combined programmes vis-à-vis an employment-only intervention. The study finds short- and medium-term effects for the combined programmes while observing only short-term effects for the public works programme alone.

The study also looked at the effect on income of participants in the intervention. Effects on income can be observed for the entrepreneurship training programme while no such effect is present for the wage-employment programme. While effects disappear slowly over time when a training component is added, long-term effects cannot be discerned. Furthermore, the study shows that overall effects are particularly strong for vulnerable participants (those who would work for very low wages) and women. A combination of public works and training might be a fruitful avenue to ameliorate life prospects for these groups in particular.

Source: World Bank Study, Bertrand et al. (2016)

### **Wage subsidies**

**Global evidence suggests that wage subsidies can play a role in helping first-time jobseekers or those who have gone through long periods of unemployment or inactivity to gain some work experience, but that they tend to be less effective in creating sustainable jobs** (Almeida et al. 2014). The consensus seems to be that wage subsidies can increase employment levels in the short-term, but can also induce considerable substitution and windfall effects. Evidence from South Africa showed that the impact of the wage subsidy persisted even one and two years after the allocation (Levinsohn et al. 2014). However, recent evidence from a pilot programme in Jordan that gave beneficiaries a voucher equivalent to the minimum wage with a duration of six months showed that while the voucher increased employment by 40 percentage points over the short-term, the effects dissipated four months after the voucher expired, except outside the capital (Groh et al. 2012).

**Proven and promising features of wage-subsidies** (Almeida et al. 2014):

- **Wage subsidies must be accompanied by a rigorous monitoring system to prevent and/or detect fraud and abuse.** The monitoring system must ensure that each employee for whom the subsidy is claimed is not only eligible for the subsidy but is actually working, that the claimed wages are being paid, and that the data used to determine the amount of the subsidy are accurate.
- **The target population is often limited to newly hired unemployed workers in certain age groups.** Narrow targeting of the subsidy is desirable to reduce the budgetary cost of the programme and maximize the benefits to the favoured group. At the same time, strictly targeted programmes might lead to a social stigma for the participating individuals and reduce public support for the measure. When deciding on a targeting schemes, these aspects need to be carefully balanced (see: Sen 1992). In any case eligibility criteria should be as simple as possible.
- **Subsidies should usually be limited in time.** Common durations for time-limited subsidies are six months to two years. Subsidies below six months are less likely to achieve the skills learning objectives envisioned. After one year, on the other hand, the core skills demanded by a given job are likely to have been acquired.
- **A proportional subsidy as a proportion of the wage is usually recommended over fixed subsidies.** It is recommended that a higher share is subsidized in the beginning and a lower share towards the end of the subsidy programme, to gradually increase the share of the wage paid by the employer.
- **Wage subsidies are typically paid in one of three ways:** through the tax system, through the social security system, or as direct programmatic payments to the employer or worker. Relying on an existing system lowers the administrative costs of the subsidy programme. Employers do usually not receive payments ex-ante, but are reimbursed for part of the labour costs they have incurred.
- **Conditionalities can be established to achieve the intended objective of subsidized employment.** For firms, restrictions on the dismissal of previous workers can be considered as well as stipulations on extending the employment contract after the subsidy expires. Conditions for beneficiaries can include requiring beneficiaries to participate in job-related training, either before or after being hired.
- **To maximize their impact, wage subsidies might also need to be linked to other ALMPs such as training, counselling, intermediation and job search assistance.**

*3.3.4.2 The programming landscape in Egypt*

**Subsidized employment interventions in Egypt are largely limited to public works programmes implemented by the SFD** under its Human and Community Development Central Sector. Over the period 2010-2015 the SFD has implemented programmes with support of the World Bank, the EU, and UNDP. The most substantial programmes were the Emergency Labour Intensive Investment Project and Emergency Employment Investment Project. These two programmes mainly aim at mitigating the negative impact on employment of the economic slowdown that occurred following the 2011 revolution, by providing temporary employment through labour-intensive public works and community

services. Signed in 2012 and effective in 2013, the programme is expected to end in 2017. The ELIIP is funded by a loan of US\$200 million from the World Bank, while the EEIP is funded through a grant of EUR70 million from the European Union.

Young people will be only marginally affected by the public works programmes in Egypt, because the plan was insufficiently designed to address youth problems. In 2013, the interim government announced an economic stimulus package for 2013-14 (also known as the Urgent Plan to Activate the Egyptian Economy) worth a total of US\$8.7 billion. The economic stimulus package focuses on eight main programmes designed to support and enhance industries and services, to develop infrastructure and public services by improving their efficiency and extending them, and to provide industrial training. An impact assessment using a social accounting matrix method estimated the impact of the Urgent Plan on employment to be significant: it reduced the number of unemployed people by 22-25 per cent, reduced the unemployment rate by 3-4 percentage points, and avoided an increase of the unemployment rate by 0.2 to 0.25 percentage points (Ernst and Sarabia, 2014).

**Despite these significant investments in public works, there does not seem to be an integrated vision at the country-level of what could be the strategic role of public works programmes in Egypt.** In the current government discourse, public works programmes are not considered to be a key ALMP instrument or a potential tool within a larger safety net strategy. It is clear, however, that there remains scepticism about the temporary nature of cash-for-work modalities, which is not considered to be “job creation”.

**Besides public works programmes, there have been no large-scale wage-subsidy programmes in Egypt.** Unlike other countries in the region (e.g. Tunisia, Algeria, Morocco), Egypt has no experience with wage-subsidy interventions. That said, there are some examples of NGOs (e.g. New Horizon) that have used wage subsidies as a component of their projects, by contributing to the cost of wages and/or social security contributions for a certain amount of time in the attempt to encourage firms to hire the NGOs’ project beneficiaries. In addition, Misr El Kheir provided three-month wage subsidies for call centres who provided jobs for visually impaired young people.

#### *3.3.4.3 Comparison between global evidence and current practices in Egypt*

**SFD’s current public works programmes tend to be fairly well-aligned with global good practices.** For instance, key features of the programmes include geographic poverty targeting and an emphasis on labour-intensive practices. This includes that a majority of costs has to be spent on beneficiary wages, not machines and equipment. Moreover, there has been a strong emphasis on M&E, through a detailed Management Information System, process evaluation, and the initiation of an impact evaluation.

In addition to creating temporary jobs as an ALMP in times of economic slow-down, it is necessary to consider positioning labour-intensive public works and community services as a contribution to Egypt’s safety net system to enhance institutionalization.

The combination of public works with additional support services such as skills trainings and employment services (“graduation” approaches) should be tested and evaluated in order to link beneficiaries with more sustainable employment opportunities (i.e. as exit strategy).

### 3.4 Cross-cutting challenges across ALMPs

**Appropriate targeting is a critical concern for many youth employment interventions conducted in Egypt.** Good targeting is crucial for the effectiveness of ALMPs because different segments of beneficiaries have different needs, therefore requiring different interventions or at the minimum relevant adaptations. Indeed, global evidence shows that the impact of ALMPs may vary across different subgroups of the population. For instance, Kluge et al. (forthcoming) found higher employment and earning outcomes among poor young people with less education across all country income levels. While these findings cannot be generalized because they strongly depend on local context and intervention design, they underline the crucial importance of good targeting.

**In contrast, most programmes in Egypt have broad and/or multiple target groups.** Only 10 per cent of the programmes documented in the YEI for Egypt in the period 2010 to 2013 targeted women and only 13 per cent of these programmes targeted young people in rural areas only. The main providers of skills-related ALMPs, the ITC, serves multiple target groups and multiple objectives, which renders technical and vocational training unfocused, and leads to a limited orientation strategy (ILO 2015e). In the area of enterprise development, the targeting mechanism of microfinance loans in Egypt does not seem to be coherent with global evidence. For instance, SFD entrepreneurship promotion interventions are not always directed to a specific group. It provides financial and non-financial services for the development of small and micro-enterprises regardless of the age or the financial situation of the beneficiary. The majority of loans granted by the SFD were devoted to relatively large projects (larger than EGP200,000), while young people under the age of 30 are the least frequent beneficiary group (only 11 per cent of loans for micro-enterprises and 22 per cent of small enterprises respectively are granted to individuals under 30 years old, SFD 2016).

**There is a limited conceptual understanding of the structural constraints facing beneficiaries in the local labour market.** Organizations are mainly implementing their established tools (e.g. training, microcredit, etc.), with limited considerations of labour market dynamics in the local context and the specific needs of different segments of beneficiaries. Recent youth employment interventions have most frequently focused on inadequate skills and lack of access to finance, while the use of employment services and subsidized employment has been relatively scarce. Yet all five major constraints highlighted in Cunningham et al. (2010) can be observed in the Egyptian labour market: (a) job-relevant skills constraints; (b) lack of labour demand; (c) job search constraints; (d) firm start-up constraints; and (e) social constraints.<sup>2</sup> Indeed, the type of analysis implementing organizations conduct during the programme design stage does typically not aim at strategically identifying the constraints for their target beneficiaries in order to adapt the programmes accordingly. As a result, without the right diagnosis of the key barriers, programmes are often insufficiently equipped to provide the right mix of interventions to their beneficiaries.

**Monitoring and evaluation systems are either not sufficient or non-existent, leaving programme designers with little guidance and lessons learned on effective intervention models.** Comprehensive systems of M&E are limited, and robust impact assessments are rarely conducted. Consequently, the YEI found that two-thirds of all ALMPs documented

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<sup>2</sup> See Cunningham et al. (2010) for more information about the framework that groups the youth-oriented ALMPs according to types of labour market constraints.

over the period 2010-2013 in Egypt only collected basic descriptive information and only about 30 per cent of programmes had some form of performance or process evaluation. Even when basic descriptive information or process evaluations exist, it remains a challenge to derive insightful lessons and learnings. For instance, only a very limited number of indicators are measured, with key outcome indicators such as placement rates, income, job stability and retention, job quality or business survival often missing. As a result of these limitations, the effectiveness of most past interventions remains largely unknown. Even more importantly, programme managers and policy makers have little to no robust guidance on what type of interventions perform well and which areas are in need of improvement.

**Several promising impact research projects have been initiated in Egypt in the past years to address the lack of rigorous evidence on “what works”.** Prior to 2013, the only attempts to conduct impact assessments were made for SFD’s public works and community development programme, as well as for Population Council’s Ishraq programme for young women. Since then, several impact evaluations have been initiated. Examples include the Population Council’s Neqdar Nesharek skills development and entrepreneurship promotion project conducted for young women in rural Upper Egypt (see Box 5), the Emergency Labour Intensive Project and Emergency Employment Investment Project implemented by the SFD in cooperation with the World Bank, Alexandria Business Association’s credit programme called Tomouh in collaboration with Silatech, Bamyán Media’s El Mashrou3, an innovative youth entrepreneurship reality TV show in Egypt together with the ILO (Barsoum et al. 2015), and the Sawiris Foundation, and the ILO/GIZ impact assessment of curriculum-based career guidance services in technical secondary schools. These impact evaluations are expected to lead to important learnings for a broad range of ALMPs and demonstrate how well-designed partnerships between local implementers and international research and funding partners can generate knowledge with the ultimate goal of improving future programming.

**Box 6: Evaluating the impact of Neqdar Nesharek on encouraging young women's economic participation**

Neqdar Nesharek (which means “we can participate” in Arabic) is a project aimed at empowering young rural women (aged 16-29) in Upper Egypt by providing them with business skills and support to start or grow a business, offering life skills training, encouraging social and political engagement, building capacity of village-based community development associations, and creating new jobs at the government and village levels. The project was conducted by the Population Council in corporation with local NGOs and funded by USAID between September 2011 and December 2014.

Measuring the impact of Neqdar Nesharek is currently being conducted by the Institute for the Study of Labor and the Population Council, with support from the ILO through its Taqem Initiative. The evaluation used a quasi-experimental design, including a mid-line survey (March 2014) and an end-line survey (December 2014) in the 30 intervention villages (4,300 women) and in 15 control villages (1,500 women). The surveys comprised three questionnaires: a household questionnaire, a questionnaire for eligible women (literate women aged 16-29), and questionnaire for parents or husband. The questionnaires provide important insights on knowledge and skills acquisition, behavioural change, and gender attitudes.

Sources: Ramadan et al. (2014) and Roushdy et al. (2014).

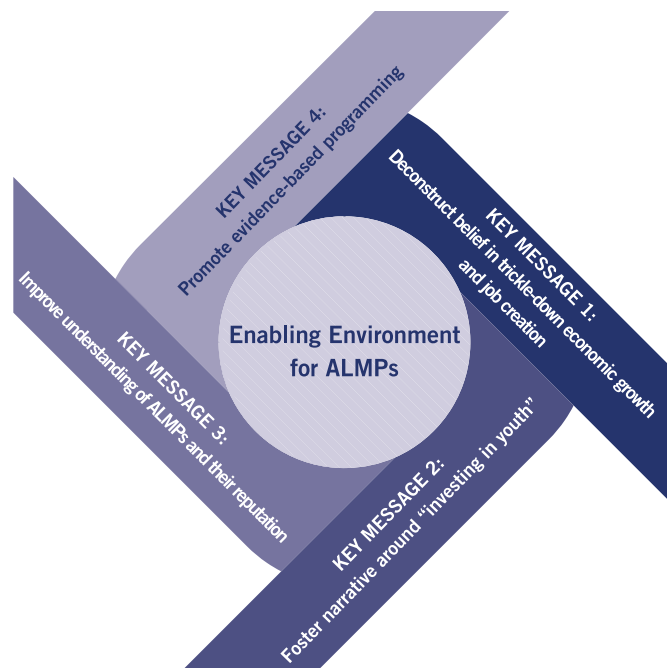
**There has been a lack of tracer studies, and even when they exist, the follow-up with beneficiaries rarely occurs over a period of more than a few months or one year.** For instance, the evaluation study conducted by North South Consultants Exchange (2009) of the SFD activities outlined the impact of the SFD financial aid to small and micro-enterprises on job creation, but highlighted the fact that these employment opportunities were not traced over time. International evidence shows that the impact of ALMPs on youth outcomes may not happen immediately after exposure to the intervention but often takes time to materialize. ALMPs may have smaller effects on the probability of employment in the short-term (less than one year after the programme ends) than in the medium (1-2 years post programme) and long run (more than 2 years). Some interventions such as job search assistance can have relatively short-term impacts while training or entrepreneurship interventions require more time for effects to materialize. Hence, it is vital to consider the time frame in the intervention design and conduct tracer studies to follow beneficiaries of various interventions to measure their medium and long-term outcomes (Card et al. 2015, Kluge et al. forthcoming, USAID 2013).

**The sustainability of projects is a concern for the current landscape of ALMPs in Egypt.** Measures to ensure programme sustainability tend to be secondary during programme design stage; long-term sustainability of the projects is therefore challenged when the donor funding ends. Selected projects manage to transition from pilot to scale-up or are institutionalized by the government. In this context, impact evaluations can be instrumental in demonstrating the impact of programmes and identifying areas for improvement before scaling up.

## Section 4: Policy recommendations: Supporting the development of an enabling environment for ALMPs

Given the relatively low reputation of ALMPs in Egypt and the general focus on macroeconomic policies and large-scale investment projects to foster economic growth expected to lead to job creation, a set of policy recommendations is proposed below to make the case for ALMPs for young people in the country.

**Figure 6:** Key messages for an enabling environment for ALMPs in Egypt.



Source: Authors' own compilation.

### **I. Reframe the employment promotion narrative from stand-alone measures and classic macro-economic frameworks towards job-rich, pro-employment policies.**

The lack of dynamism in the private sector appears to be a key constraint to firm growth and job creation. However, macroeconomic policies, regulatory reform and megaprojects alone are no panacea for solving Egypt's employment challenges. Indeed, while economic growth is generally positively associated with employment creation, it strongly depends on whether employment intensity and geographic and sectoral distribution will translate into benefits for specific population groups, such as young people and individuals at risk of labour market exclusion. Moreover, the Egyptian labour market experiences a mismatch between the supply- and demand-side (as illustrated by many unfilled vacancies), which macroeconomic policies, capital-intensive megaprojects, and regulatory reform alone will not be able to solve. Economic policies and national development plans need to integrate job-rich policies and ALMPs.

## **II. Foster a narrative which emphasizes investments in young people**

It is important to recognize that given the size of the current youth cohort in Egypt, its political, economic and social perspectives are crucial for the development of the country as a whole. With their well-being and that of the whole society intertwined, investment in the human capital of young people is a fruitful strategy to which well-targeted and well-designed ALMPs could contribute. It is important to further promote the idea that people are central to a country's productivity. Hence, in addition to demand-side reforms, Egypt needs reforms to improve the labour supply (both in the short-term through ALMPs and in the longer-term through education and training system reforms) and intermediation and address other barriers that affect employment outcomes, including social norms and cultural barriers affecting women's labour force participation.

## **III. Work towards a common understanding of ALMPs and improve their reputation**

It is important to foster a better understanding of the role of ALMPs among key stakeholders, as the concept is not always well understood in Egypt even though many ALMPs are being implemented. ALMPs comprise a variety of measures (skills training, entrepreneurship support, employment services, and subsidized employment) that address different constraints in the labour market in order to help people find work and improve their earnings. As such, stakeholders need to understand that ALMPs are complementary to macroeconomic policies and other demand-side reforms. It is important also to reinforce that ALMPs are widely used in other countries and that, if well-designed, targeted and implemented, they can be effective in Egypt.

In order to work towards a common understanding of what ALMPs are and how to improve their reputation, a variety of actions could be considered. These include for example (i) coordination of development partners and other relevant stakeholders to use a shared definition of ALMPs; (ii) coordination of entities implementing ALMPs to form a strong lobby and community of practice for these kinds of interventions; (iii) leveraging roundtable discussions and academic conferences related to economic policies to promote an accurate understanding of ALMPs; and (iv) events and newspaper articles to showcase success stories of ALMPs from abroad and from Egypt. Strategic stakeholders in this process could include academics, universities and think tanks, the media, international organizations and existing networks of youth employment practitioners, such as the Egypt-YEP which has become a sub-council within the Egypt National Competitiveness Council (ENCC).

## **IV. Promote evidence-based programming**

A key element to promoting an enabling environment for ALMPs in Egypt is to support evidence-based practices. An evidence-based practice includes an approach, framework, collection of ideas or concepts, adopted principles and strategies which are supported by research and evaluation. Programme evaluations are essential to generate local learning and evidence to inform future interventions, and the gap thereof in the past has severely limited the effectiveness of ALMPs in Egypt. There is a need for every programme, regardless of whether it is implemented by the government or NGOs, to have an appropriate M&E system in place, including the necessary budget for M&E staff and data collection. Moreover, process evaluations and robust impact assessments should be conducted much more frequently by implementing agencies in collaboration with experienced national and international research teams. Promoting a culture of performance measurement and results

orientation can stimulate learning across the many entities carrying out ALMPs in Egypt and improve programme effectiveness in the future.

It is clear that more evidence-based programming will not take place on its own, and the right balance of incentives and rules will be needed to achieve this goal. Incentives could include showcasing government agencies and NGOs that have participated in robust evaluations, establishing an award for the best ALMP evaluation(s) of the year, providing an independent funding pool to support quality evaluations (such as the ILO's Fund for Evaluation in Youth Employment), or setting up a technical assistance facility to support implementing agencies in developing strong M&E frameworks as part of their programme design. In addition, funding agencies and development partners should adopt stricter rules for implementers to incorporate lessons learned from past evaluations, require M&E frameworks as part of every project proposal, and make reporting on a key set of standard key performance indicators mandatory, for example programme completion/drop-out rates, job placement rates, retention rates, costs per beneficiary. Finally, encouraging a stronger public discourse, including through the media, about the performance of public services in general and employment programmes in particular can also be productive. Strategic stakeholders in this process could include the Ministry of Planning, the Egyptian Evaluation Network, local funding agencies (e.g. SFD, the Sawiris Foundation), implementing agencies that have participated in evaluations, donor agencies, and the media.

## Section 5: Conclusions

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**In the current political and economic environment, Active Labour Market Programmes are not at the forefront of the economic and social development agenda in Egypt.** The main narrative on employment creation in Egypt is focused on boosting economic growth through macroeconomic policies and megaprojects, while the relatively low reputation of ALMPs among stakeholder groups constrains the formulation and implementation of effective ALMPs. This includes labour market scholars who criticize the lack of results measurement and impact research, and young people who tend to lack confidence in training and employment programmes.

**Although numerous large-scale ALMPs for young people have been implemented in Egypt over the last few decades, ALMPs face multiple challenges that limit their effectiveness.** These challenges include the lack of a coherent policy and strategic framework, high levels of fragmentation between various public agencies and civil society groups, weak targeting, limited conceptual understanding of the multiple constraints young people face in the labour market, limited implementation capacity, lack of appropriate monitoring and evaluation, and insufficient programme sustainability due to donor dependency, thus hampering continuity and institutionalization of lessons learned (culture of pilot projects).

**Decision making in Egypt is typically characterized by a top-down approach.** As a result, establishing and maintaining trusted relationships between development partners and top-government officials and their close advisors are essential to shaping future public policy.

**Despite the growing emphasis on the evidence base on “what works” in youth employment, evidence-based decision and policy making in Egypt is lacking.** The majority of policy makers and implementers lack understanding of the importance of evaluation as a tool for programme design and improvement. As a result, monitoring and evaluation frameworks are often underdeveloped or missing, and only a minority of programmes conduct any type of evaluation. Robust impact assessments are very rare. Thus, there is a lack of documentation and analysis of the achievements and challenges of ALMPs in Egypt and what can be learned from them.

**As a result of the limited focus on using and generating evidence to inform programme decisions, ALMPs in Egypt tend not to be well aligned with global best practices.** Despite many encouraging developments in recent years, such as the increase in demand-driven skills development programmes, the emergence of entrepreneurship support programmes that combine financial and non-financial services, and the design of poverty-focused labour-intensive public works and community services, many public and non-public ALMPs could benefit from taking into consideration more lessons from past programmes and evaluations. For instance, there is still a tendency for supply-driven technical trainings, a lack of on-the-job training programmes, bureaucratic public employment services, and limited experience with wage subsidies.

**Key knowledge gaps remain in understanding what works and what doesn't in promoting youth employment in Egypt.** Implementers often lack vital information on the demand-side of the labour market, such as growing industry sectors, vacancies and wage levels across sectors, and skills anticipation. This gap points to a lack of effective labour market information systems. Moreover, there are key programmatic knowledge gaps and challenges practitioners are encountering. Among others, these include how to influence youth preferences away from public sector jobs and informal self-employment (e.g. driving “tuk-tuk” rickshaws) towards formal private sector employment, how to enhance the reputation of technical and vocational occupations, how to improve retention of jobseekers after placing them into jobs, or how to design subsidized employment in a way that it can become a bridge to subsequent permanent formal employment. These and other relevant questions should be addressed through research and programme evaluations in order to inform future programming.

ALMP practitioners in Egypt could also benefit from increased knowledge and experience on the key design features and operationalization of AMLPs for youth. This would include governance structures (public vs. private vs. public-private partnerships), incentive structures which encourage proper targeting of youth populations, curricula and trainer methodologies, administrative support systems including results measurement frameworks, and the institutionalization of ALMPs to provide for stability, sustainability and a high service for youth clients.

**Despite these challenges, Egypt is well positioned to implement more effective and coordinated ALMPs, given the multitude of players, diversity of programmes, and support from international and local donors.** Due to a vibrant civil society sector, there is a large diversity of programmes being implemented, providing opportunities for innovation and learning that can inform public policies and programmes. Moreover, Egypt benefits from strong support from local donors and the international community who are important allies in the design and funding of ALMPs in order to set up promising programmes in the future.

**Recently, Egypt has faced challenges in labour relations and collective bargaining while recognizing that social dialogue remains a pre-condition towards improved ALMPs for young people.** ALMPs require a governance structure and feedback mechanism which involves workers and employers groups in close consultation with public agencies. This means also that ALMPs respect fundamental principles and rights at work. Representation of employers groups also ensures ALMPs are designed as demand-driven and respond to trends in the labour market.

**The design and integration of ALMPs in Egypt needs to take account of emerging trends and changes expected to take place in the “Future of Work”.** The structure of labour markets will change drastically over the next decades due to shifts in global production and trade, innovations and new technologies, the green economy and the fragmentation of work and production processes. Egypt has witnessed the emergence of the digital economy and its new forms of employment driven by a blossoming information and communication technology sector (see for example Egypt's ICT 2020 Strategy). Young people seemed poised to benefit most from this digital revolution and ALMPs can play a major role in ensuring that they get the rights skills and opportunities.

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## Appendix

### List of interviewed stakeholders and participants at validation and roundtable events

Name	Title	Affiliation
Ibrahim Melouk	Senior Marketing Manager	ABA
Moataz El Tabbaa	Executive Director	ABA
Tarek Omar	Consulting and Information Security Manager	ABA
Mohamed El Kamel	Managing Director	Alashanek Ya Balady
Ibrahim Awad	Director, Center for Migration and Refugee Studies	AUC
Sherine Allam	Founder	AWTAD
Hanaa Ramzy	Senior Economist	British Embassy
Laila El Khawaga	Professor of Economics	Cairo University
Sherine El Shaverby	Professor of Economics	Cairo University
Eman Omran	SME Program Team Leader	Canadian Embassy/GAC
Farah Osman	Operations Manager	EFE Egypt
Nour Kamel	Partnerships and Communications Officer	EFE Egypt
Amina Ghanem	Executive Director	ENCC
Heba Handoussa	Managing Director	ENID
Basma Osman	Senior Advisor	FEI
Tarek Tawfik	Vice Chairman	FEI
Mohamed Youssef	Former Minister	Former Ministry of TVET
Nouran Ismail	Advisor, Employment Promotion Programme (EPP)	GIZ
Radwa Abdel-Raouf	Advisor, Employment Promotion Programme (EPP)	GIZ
Raed M. Sharif	Senior Program Officer, Technology and Innovation	IDRC
Enas Zakareya Abdallah	Executive Manager, Economic Issues Department	IDSC
Mahmoud Mohsen	Political Researcher	IDSC
Ahmed El Banhaway	Senior Advisor	ITC
Ahmed H. El-Sheikh	Partnerships Coordinator	ITC
Rania Sadek	National Consultant on Monitoring & Evaluation	ITC
Abdelrahman Nagy	Policy Manager	J-PAL
Naglaa El Ehwany	Former Minister/Professor of Economics	MOIC/Cairo University
Amal AbelLatif El Khabbaz	Head of Employment Department	MOM
Nihal El Megharbel	Vice Minister	MOPMAR

Amany Ghoneim	Head of Department for Social Development	MOSS
Saber Soliman	Assistant Minister	MOT
Rania Ahmed	Head of Economic Relations and International Cooperation Department	MTI
Shaimaa Ali Ali	Senior Economist	MTI
Sally Said	Senior Training Coordinator	MYS
May ElBatran	Committee Chair, Communication & Information Technology	Parliament
Manal Maher El Gamil	Member of Parliament/Director of Alkorra Foundation	Parliament/Alkorra Foundation
Walid Qorish	Executive Director	Petra ETP Printing and Media
Medhat Massoud	Head of Central Sector for Human and Community Development	SFD
Raafat Abbas	Head of the Technical Office/Sec Gen of the Arab Union for Small Enterprises	SFD
Suzan Abdel Rasoul	Senior Manager, Central Sector for Human and Community Development	SFD
Ahmed Abdeslam	Senior Projects Officer, Micro-Credit Department	SFSD
Noura Selim	Executive Director	SFSD
Randa Khalifa	Senior Project Officer	SFSD
Aly Shahen	Public Private Sector Partnership Advisor	TVET Reform Phase II
Anis Zakhary	Executive Director, Building Construction and Housing ETP	TVET Reform Phase II
Mohamed A. Bahaa	Skills Development Specialist	TVET Reform Phase II
Mohamed El-Awady	Executive Director, ETP Leather and Tanning	TVET Reform Phase II
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Qualitative in-depth interviews and focus group discussions were conducted between September 2015 and June 2016. The validation workshop and roundtable event were held in Cairo on 21 June and 24 July 2016.







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