

## ► Policy Brief

March 2020

# Pathways to Employment: What works, what does not, and how can we innovate?

### Executive Summary

The ILO-Egypt Youth Employment (EYE) project, funded by the the Norwegian Ministry of Foreign Affairs, has organized “Pathways to Employment: What works, what does not, and how can we innovate?” workshop on March 2, 2020. The event included national stakeholders and partners working on employment programmes for young people in Egypt. The workshop aimed at raising the awareness of stakeholders and ensuring the effectiveness and efficiency of employment programmes and interventions through sharing of experiences and best practices, and addressing challenges facing the ecosystem. The workshop addressed certain gaps in the labour market policies that address macroeconomic and sectoral growth policies but overlook the lack of decent and sustainable work opportunities and the rising unemployment amongst Egypt’s youth. The brief will emphasize the challenges that hinder the effectiveness and impact of a number of employment programmes in terms of absence of coherent policies,

strategies frameworks, synergies and coordination schemes. This policy brief will provide an overview of the workshop activities as well as provide a concise summary of presented recommendations and action plans shared by the participants. It will start by highlighting the mandate and role of the ILO in actualizing decent employment opportunities for the Egyptian youth and workshop objectives. It will then provide an overview of the employment scene in Egypt as it was presented by ILO and key stakeholders. The brief will emphasize the policy issues facing employment in Egypt and the outcomes of the three working groups held during the workshop which tackled major employability schemes including ‘Training for Employment (TfE)’, ‘Job Fairs, Job Search Clubs and Online Platforms’ and ‘Wage Subsidies and Apprenticeship’. Finally, it will provide policy and programme-related recommendations to help promote and achieve sustainable employment in Egypt.

### ► Introduction

The commitment of the Egyptian government as well as development partners to increasing employment opportunities and improving the conditions of existing jobs to be aligned with the decent work goal is critical in actualizing the Sustainable Development Goals agenda. For that purpose, integrated, sustainable and collaborative employment programmes are needed through a bundle of advisory services, active labour market policies (ALMPs) and targeted interventions. In Egypt, there are numerous programmes and initiatives that are centered on growth and job creation to help young people overcome the

barriers and disadvantages they face in entering and remaining in the labour market. Achieving decent work is an important step towards realizing the SDGs. Thus, the International Labour Organization (ILO) has implemented several programmes to achieve employment growth and sustainable decent work environments to help facilitate youth transition into decent employment. These programmes targeted the supply and demand components of employment in terms of job creation, promoting decent work, and skills development of young job seekers.

One of these programmes is the ILO's Egypt Youth Employment (EYE) project that aims at achieving decent employment through creating more and better jobs that support inclusive growth and improving employment prospects for young people. Through a multipronged and a multidimensional approach, the EYE project implemented different schemes that included skills development, job matching services and job search skills through Training for Employment (TfE) and implementing Job Search Clubs which is an own ILO tool designed to enhance job search skills of the youth. The workshop expanded beyond the EYE project's scope to discuss other wage employment pathways such as, digital employment platforms apprenticeship that foster innovation and rehabilitate job seekers to be integrated in the labour market as well as wage subsidies. The EYE project that promotes sustainable entrepreneurship, creates job prospects that fulfill inclusive growth and achieves decent work, operates on the levels of policy, partnership and field levels.

In the context of the ILO's mandate to promote decent employment for young people in Egypt, a number of advisory services and technical assistance was provided to stakeholders to facilitate the access of young people to jobs that provide decent wage, job security and good working conditions. This commitment coupled with its recognition of the importance of open dialogue, experience sharing and evidence-based practices amongst partners and key players, the ILO organized a one-day workshop titled "Pathways to Employment: What works, what does not, and how can we innovate?". The event comes through the scope of the EYE programme. The objective of the workshop was to foster cooperation in examining the need of advisory services related to the development of coordinated employment programmes. Furthermore, it aimed at fostering constructive discussions and sharing of knowledge and lessons learnt. The workshop helped in creating synergies amongst different employment programmes and stakeholders to address cross-cutting challenges, evaluate current pathways and schemes, reach consensus on best practices, and provide opportunities of networking and collaboration.

### Contextual Background

The ILO team provided a situational overview of labour market trends in Egypt including challenges, support programmes and key findings regarding employment programmes and active labour market policies (ALMPs). In Egypt, employment indicators have improved significantly, as unemployment rates reached 8% in 2019 in comparison to 13.1%

in 2015. However, this improvement in employment does not reflect the quality of employment in terms of productivity, improved working conditions, protection of the labor force and inclusion of underprivileged groups. Precarious forms of employment have increased significantly, including an increase in the working poor, and in the number of workers without contracts or social protection. The presentation stressed on the importance of expanding employment policies beyond the macroeconomic and sectoral objectives to include strong public policies to improve the employability of the disadvantaged through ALMPs. ALMPs will assist in increasing work productivity of young people and boost economic growth through addressing issues of informal and low productivity jobs.

This was followed by a presentation that tackled skills development practices and programmes that facilitate the transition of young people to the labour market implemented by ILO and partners in Egypt. The presentation highlighted one of the major challenges facing skills development, namely the mismatch between the fast-developing demands of the labour market and the skillsets of the workforce. Egypt is suffering from a profound skills mismatch that is leading to lower productivity, higher turnover, and hindering employment growth and sustainability. The presentation also highlighted the role of the ILO in addressing skills mismatching through different tracks including skills development through Training for Employment (TfE) and Job Search Clubs, an ILO own developed tool to increase job search skills of youth in a participatory way. These interventions aim at enhancing quality technical education and trainings and increasing access to career guidance and employment services, which will foster accurate matchmaking and consolidate the integration of private sector in skills development.

The workshop included a panel discussion that comprised of key partners representing governmental institutions and private sector working on employment programmes. The panelists discussed different programmes and interventions, challenges facing them, and faces of support that international agencies and partners can provide. Some of the interventions shared were targeting mostly young job seekers and employers seeking specific talents along with students of Technical and Vocational Education and Training (TVET) and other beneficiary groups. Employment services provided involved skills development programmes, job matchmaking services, online platforms, and apprenticeships to improve employability prospects of young people. Below is a summary table of programmes offered by several stakeholders.

► TABLE 1

A Summary of some of the Employment Programmes implemented by panelists

Entity	Programme	Intervention Type	Description	Target Group
<b>Ministry of Manpower</b>	Electronic Borsa	Matchmaking: Online platforms	A platform that provides updated labour market indicators.	Young job seekers
	Online National Employment Bulletin	Information dissemination through online platforms	Matching skills of job seekers with employers.	Employers with detailed job descriptions
	Complaint and grievances hotline	Legal support		
<b>Ministry of Youth and Sport</b>	Career counseling centers	Matchmaking: Job search clubs (MoYS is the main implementing and institutional partner for the job search clubs with the ILO), career fairs and online platforms	Supporting youth in their job search through different trainings and career fairs.	Young job seekers
	Trainings		Through several development partners, MOYS is providing core employability skills to youth.	
	Electronic Employment Banks	Skills Development		
<b>Ministry of Education and Technical Education</b>	Career units that provide training and job search opportunities	Skills Development	Adopting a capacity building component that focuses on practical skills and behavioural change.	TVET Students
<b>Ministry of Social Solidarity</b>	Forsa	Skills Development	Entrepreneurship and wage employment programs.	Underprivileged beneficiaries of Takaful and Karama
<b>Federation of Investors' Association</b>	A dual education programme	Apprenticeship	On the job training. Creating schools inside factories for technical education.	Preparatory school students
<b>Federation of Egyptian Industries</b>	NSSP (National Vocational Training-Skill Standard Program)	Skills development through their Recruit, Retrain and Retain strategy Matchmaking	Designing job descriptions for every available job, which describes all the relevant skills and personality traits and physical traits that are required for every job.	Potential job seekers

## ▶ Problem Statement

Labour market policies on Egypt's employment scene are concerned with macroeconomic and sectoral economic growth objectives, they, however, fail to address the lack of decent and sustainable work opportunities and the rising unemployment amongst Egypt's youth. Albeit, there are a myriad of employment programmes implemented by diverse stakeholders, the lack of coherent policies, strategies frameworks, synergies and coordination schemes hinder the effectiveness and impact of these programmes.

## ▶ Working Groups' Outcomes: Discussion

Stakeholders and workshop participants have then been divided amongst three working groups focusing on 'Training for Employment and Employability Skills', 'Matchmaking through Job Search Clubs, Jobs Fairs and Online Platforms' and 'Apprenticeship and Wage Subsidies'. The groups shared some of the challenges facing their employment programmes and shared recommendations and best practices to help address these challenges and maximize benefit from these programmes to improve youth employability interventions.

### 1. Training for Employment

#### 1.1 Overview

TfE is an integrated approach that aims at providing decent and quality job opportunities and ensuring sustainable employment to disadvantaged young Egyptians in the private sector through skills development and accurate job matching processes. Most commonly, TfE schemes tackle four pillars that target different groups of beneficiaries through a sectoral approach, outreach activities, capacity building and skills matching components. Outreach activities included employer outreach to account for job vacancies and evaluate the available opportunities against the ILO decent work criteria, and beneficiary outreach to identify target groups. The capacity-building component addressed both employers and job seekers. The hired job seekers received a 5-day skills training to help integrate them in the labour market and ensure that they acquire and retain high quality jobs in their governorates. On the employer side, supervisors participated in skills training to enhance job quality through addressing treatment of workers in the workplace to increase retention rates. The fourth pillar was to achieve accurate matching and job placement processes to connect job seekers with available vacancies. In the workshops, programmes where the primary component is technical or vocational training were excluded from the definition.

#### 1.2 Current Situation

The cost-efficiency of TfE programmes is measured in cost of outreach and employment including admin services, cost of training, timeframe for placement, and time dedicated for monitoring against the

quantity and quality of job opportunities offered and the sustainability of interventions. The cost of training has varied based on the type of trainings delivered whether core employability skills or technical skills. Some participating agencies that provide TfE schemes estimate the cost of training and job placement to have ranged between 3000 - 10,000 Egyptian Pounds (EGP) depending on the type and duration of training. Outreaching young people is costly as one of the participants emphasized that in order to place 100 candidates; it requires reaching to around 10,000 potential job seekers. This ratio may be a bit exaggerated but several other participants stated that at least a 4:1 ratio of jobseekers to vacancies is needed. As for outreaching employers, the challenge lies in the absence of an institutional outreach scheme. In addition, some employers are reluctant to cooperate and do not offer attractive benefit and wage packages to potential employees.

Concerning the effectiveness of TfE programmes, some of the discussed challenges included the discrepancy between training materials and actual employers' needs, which leads to a mismatch between the acquired skills of job seekers and job requirements. The lack of labour market orientation and recognized certification of some of the provided skills trainings reflects on the low quality of skills learnt and acquired by potential job seekers leading to failing in fulfilling job requirements. As for employers' credibility, the absence of clear job descriptions hinders providers of TfE from designing skills development programmes that cater for the requirements of employers. These factors impact the sustainability of TfE schemes in

terms of cost-efficiency, appropriate planning of job competencies that are responsive to labour market needs, accurate targeting of beneficiary groups, and continuation and expansion of training and support programmes. Sustainability of provided employment opportunities is affected as well in terms of provision of decent working conditions, maintaining high retention rates and locating needed skills, which leads to high turnover and waste of resources directed towards skills development and work placements.

One of the major setbacks facing TfE is the inefficiency of the monitoring and evaluation systems in place and the lack of impact evaluations of TfE. This lack of

evidence-informed planning, decision-making and evaluation processes hinders the effectiveness of TfE schemes in achieving decent employment goals and sustaining their interventions.

## 2. Job Fairs, Job Search Clubs and Online Platforms

### 2.1 Overview

*Job fairs* are one-day events that foster decent work conditions, where job seekers are provided with an opportunity to meet and network with employers that offer job opportunities. The fairs offer services such as database compilation, career and human resource counseling and disseminating information regarding training opportunities. This methodology is cost-efficient and effective in terms of facilitating matchmaking opportunities, information exchange through a networking platform.

*Job Search Clubs (JSC)* methodology aims to change the behaviour of young people towards work and provide them with the required skills for job searching using innovative and non-conventional methods. The clubs offer a place for young people to meet, share resources, and offer peer support, which helps them in the job search under the supervision of a facilitator.

*Online platforms* act as job search engines as they help in job matchmaking through providing information about jobs in proximate geographical locations and the types of skills that are needed by employers and locating needed talents.

### 2.2 Current Situation

In 2016, the Ministry of Youth and Sports institutionalized JSC as a regular activity included in its annual plans and budget. In 2018, JSC became a global product for the ILO deployed in Algeria, Tunisia and it will be amended for migrants in Egypt. This methodology is cost-efficient as the employment rate of JSC reaches 30%, where the cost of a job opportunity could reach 800 EGP per person. For online platforms, many governmental and nongovernmental institutions are implementing these strategies to help with matchmaking in a more cost-efficient approach. Examples of these platforms

are the Employment Borsa by Ministry of Manpower, Shaghalni, LinkedIn, Jobzella and Wuzzuf. As for job fairs, they aim at targeting quality job opportunities and the employment rates reach 36% where the cost of a job opportunity ranges between 4000-5000 EGP.

One of the challenges facing these approaches is the matching between vacancies and the skills of job seekers, which is impacted by the quality of data available on vacancies. Moreover, there are limited impact evaluations available about job search skills and core skills and their effect on employment. Therefore, there is a need to work with employers to ensure that vacancies are described as precisely as possible, and to improve job-matching software for better capturing of competencies in core skills as well as technical and vocational skills.

### 3. Apprenticeship and Wage Subsidies

#### 3.1 Overview

Apprenticeships is a cost-efficient skill development tool that helps in the transition of young people into the labour market through the provision of quality on-the-job trainings in collaboration with the private sector and designated employers. This approach helps both young people and employers through equipping the labour force with technical skills required to cater for the market needs of employers.

Wage subsidies are defined as transfers targeted at youth to provide incentives for employers to hire members of the target group. Some of the measures in this approach include direct transfers to firms (hiring subsidies) or workers (wage supplements), general cuts in payroll taxes or social security contributions, and on-the-job training programmes that have subsidized employment component. Programmes where the primary component is training were excluded from the definition.

#### 3.2 Current Situation

Dual education system is a long-term solution to address shortage in skilled labor where learning and training happens in school and in factories for three years. They are an incentive for youth to engage in an experience that would develop their skills and contribute to better career prospects, as opposed to seeking work that offers more financial gains in short terms but keeps young people in low-productivity traps. For the employer, getting an apprentice is a cost and a bet on the future, that public support can compensate for. For the State, spending on apprenticeships and internships delivers fiscal resources and cuts social spending down the line. This is particularly true in countries with limited opportunities for quality, dual vocational and technical training systems. Apprenticeship

subsidy programmes, to be effective, need to have built-in safeguards, to ensure the subsidy reaches its objective, that apprentices are learning and that the funding reaches them.

One of the major challenges facing employability programmes in general and apprenticeship in particular is the competition of the informal sector in attaining potential young people as many young people prefer to work in jobs that offer quick gains instead of learning a craft or a skill that needs more time and effort. This resulted in endangerment of local crafts and shortage in skilled labour force needed in the formal sector. Through apprenticeships, young people will benefit from acquiring skills that will equip them for future career growth and reasonable wage and employers will benefit from temporary labour for more production and less wage cost. There are attempts to establish a legal framework to govern coordination and interventions and to fight stigma surrounding technical education.

A cross-cutting challenge in the three working groups is the lack of evaluation schemes for their programmes to measure their effectiveness and impact of their interventions. The absence of evidence-based programmes and policies led to duplication of efforts, high cost of interventions and unsustainability of employment programmes.

## ► Working Groups' Recommendations

### 1. Policy Recommendation: Strengthening the ALMP Ecosystem

#### 1.1 Promotion of Public-Private Partnerships including governmental institutions, private sector and international organizations

The high cost of employment programmes in terms of cost of outreach, skills development and placement could be tackled through different measures on policy and programme fronts. Alignment of training for employment schemes and objectives through dissemination of data and sharing of resources needs further coordination and synergies led by the government and including all the relevant

stakeholders. Public-private partnerships are critical to ensure sustainability of interventions. An example of this is the partnership among Education for Employment, Ministry of Manpower and an American petroleum company "Schlumberger" in offering a three-year programme to train 900 workers on soft skills, followed by a technical training that is provided through the private sector partners.

The engagement of the private sector in the skills development in terms of cost and skills specification will help in effective designing of training programmes that serve the needs of private sector and sustaining interventions through alleviating financial costs. Furthermore, the engagement of various stakeholders helps in reducing the cost through diversifying the packages of support offered through each stakeholder.

### 1.2 Establishing an effective governance framework to govern employment programmes

In order to strengthen the ecosystem, there is a need for an effective governance framework to be established. This will help in governing coordination mechanisms amongst stakeholders in terms of mapping of support programmes as well as programme integration and data dissemination.

Furthermore, many of the workshop participants called for the creation of a platform that brings together stakeholders of employment programmes to foster cooperation and coordination. This platform will help in creating synergies, aligning ALMPs objectives, addressing issues of effort duplication, sharing best practices and providing a coordination framework that ensures the sustainability and effectiveness of employment programmes.

## 2. Programme-Specific Recommendations

### 2.1 Recommendation I: Ensuring the effectiveness and sustainability of employment programmes through:

#### 2.1.1 Improving Skills Development Programmes for Better Matchmaking Results

- *Identifying target groups*

The participants have agreed that identifying target groups is a critical step in allocating resources and strategic planning of interventions. One of the agreed upon criteria for the beneficiary groups indicated that graduates of TVET programmes should be a priority in employment interventions. The rationale for this criterion was the lack of quality training opportunities for TVET graduates, the high need for their technical skills in factories and the high unemployment rate amongst this group. Participants have also advocated for the inclusion of people with disabilities through addressing misconceptions and concerns surrounding hiring this group in terms of low productivity. Another criterion has a geographical focus in terms of target residents of underprivileged areas, where the rates of poverty and unemployment are high. The age group of the target group was recommended to range between 18-35 years as it was argued that older people have a higher retention rate as they are looking for security, while younger people want to try different jobs. As for female inclusion as a target group, participants have agreed that females have higher commitment in attending trainings and higher retention rates, however they require some services to incentivize them such as transportation.

Other criteria included having minimum knowledge of job requirements and inclusion of vulnerable populations.

- *Linking training curricula to market demands*

In order to improve the matching processes, there is a need to link the objectives of diverse employment interventions including TfE to the demands of the job market. Identifying the employability skills needed whether core or technical skills and regularly updating training programmes and curriculum is essential in coping with the fast developments of the economic systems and thus its criteria and demands. To do so it is crucial to integrate the private sector early on in the design of the skills intervention. This can either happen through working with sectoral or regional associations or industrial clusters and ideally, there should be a social dialogue around skills identification. Understanding the occupational specifications of targeted employers prior to skills development trainings helps in providing the appropriate type of training to young job seekers and the right caliber needed by employers. Engaging the employers in providing technical training was recommended as to help in designing training tracks that respond to employers' specific skills needs and requirements. Some participants recommended developing an intervention model that aims at behaviour change

by increasing employability through consultation sessions to young people to identify their skills and career path and aspirations prior to attending skills trainings. This will help in better matching results as young people will be able to identify the jobs they are fit for and will provide accurate information on the kind of trainings that these young people need. Integrating work ethics in training components is critical in ensuring employment sustainability, as many employers have faced challenges when hiring young graduates such as low levels of commitment, lack of preparedness to join the workforce, high turnover rates and unawareness of work principles.

### 2.1.2 Developing Evidence-based Interventions

There is a need for designing evidence-based programmes that evaluate employment interventions and develop tools to measure impact. Programmes need to be result-based with effective monitoring and evaluation systems in place. Furthermore, impact evaluations are necessary to assess interventions and their sustainability considering the decent work agenda in terms of quality jobs, insurance benefits, positive working environment and retention rates. An example of the impact of evaluating programmes, Education for Employment conducts periodical assessments of the sustainability of their interventions, which is reflected in the rate of employment, which is 81%, out of which retention rate is 78% and 52% female participation.

### 2.1.3 Digitization of Job Placement and Skills Development Programs

The use of technological platforms and software in conducting skills development training tracks including soft and technical skills could help in increasing accessibility and reducing the costs associated with trainings in terms of beneficiary mobility and accommodation needs. E-learning and e-training opportunities are available but exclusive to privileged young people, and they need to be made more affordable and accessible to different target groups. Through investing in the technological infrastructure and computer literacy, the private sector could help in accelerating and expanding online platforms and thus increasing their outreach and impact. An example of

e-training is provided by a company named “Tatweer”, which offers internationally certified soft skills training through online platforms and distribution of training materials on flash drives at a cost of 800 EGP per person. Furthermore, there is a need to capitalize on governmental online job portals such as Borsa through adding training components, which will help in expanding outreach of skills development programmes as well as improving job matchmaking results.

### 2.2 Recommendation II: Integration between the different employment programmes and tools:

In order to maximize impact from existing employment programmes, integration of employment approaches and tools, and exchange of expertise is recommended. Job search clubs were recommended to provide access points to job fairs and online platforms as to help students identify their skills, future aspirations and thus finding better job opportunities. Also, awareness of job descriptions and negotiation skills will provide young people with decent job opportunities and it would be beneficial to have fixed geographically located services for them. The utilization of stakeholders to existing platforms and training hubs offered by governmental institutions will help in achieving cost-efficiency of programmes, creating sustainable networks and coordinating efforts amongst stakeholders. As for TfE, it was recommended to be integrated in apprenticeship programmes as well as in Job Search Clubs to capacitate beneficiaries with the required skills to locate proper and decent jobs. Additionally, combining TfE with wage subsidies could help in establishing trust and credibility with employers in terms of provided caliber.