



Soft Skills or Hard Cash? The Impact of Training and Wage Subsidy Programs on Female Youth Employment in Jordan

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Abstract	Throughout the Middle East, unemployment rates of educated youth have been persistently high and female labor force participation, low. This paper studies the impact of a randomized experiment in Jordan designed to assist female community college graduates find employment. One randomly chosen group of graduates was given a voucher that would pay an employer a subsidy equivalent to the minimum wage for up to 6 months if they hired the graduate; a second group was invited to attend 45 hours of employability skills training designed to provide them with the soft skills employers say graduates often lack; a third group was offered both interventions; and the fourth group forms the control group. The analysis finds that the job voucher led to a 40 percentage point increase in employment in the short-run, but that most of this employment is not formal, and that the average effect is much smaller and no longer statistically significant 4 months after the voucher period has ended. The voucher does appear to have persistent impacts outside the capital, where it almost doubles the employment rate of graduates, but this appears likely to largely reflect displacement effects. Soft-skills training has no average impact on employment, although again there is a weakly significant impact outside the capital. The authors elicit the expectations of academics and development professionals to demonstrate that these findings are novel and unexpected. The results suggest that wage subsidies can help increase employment in the short term, but are not a panacea for the problems of high urban female youth unemployment.
Gender Connection	Gender Focused Intervention
Gender Outcomes	Female labor force participation, non-cognitive skills, aspirations, psychological agency
IE Design	Randomized Control Trial
Intervention	The Jordan New Opportunities for Women (Jordan NOW) pilot randomly allocated almost an entire cohort of female graduating students into four groups: a treatment group which received a job voucher which would pay an employer a subsidy in amount equal to the minimum wage if he or she hired the worker, valid for up to six months; a treatment group which was invited to attend a 45-hour employability skills training course designed to provide key soft skills demanded by employers; a treatment group which received both the voucher and the training; and a control group. The effective cost of the intervention was about \$400 per attendee.
Intervention Period	2010-2011
Sample population	The sample universe is comprised of recent graduates from 8 community colleges with the largest female enrolment. The typical graduate is 20-22 years old, were unmarried and had never worked before. The students were first stratified into 16 strata on the basis of geographic region Amman (Amman, Salt and Zarqa), and outside Amman (Irbid, Ajloun and Karak), whether their Tawjihi examination score at the end of high school was above the sample median or not, whether they indicated at baseline that they planned to work full-time and thought it was likely or somewhat likely that they would have



a job within 6 months of graduating, and whether or not she is usually permitted to travel to the market alone (a measure of empowerment). Within each strata, 22.2% of the students were allocated to receive the job voucher program only, 22.2% allocated to receive the employability skills training only, 22.2% allocated to receive both the job voucher program and the employability skills training program, and 33.3% allocated to the control group. This resulted in 300 in each treatment group, and 449 in the control group, for a final experimental sample of 1349.4 It turned out that two of the individuals assigned to receive a job voucher (one from the voucher only group, and one from the voucher and training group) were actually males who had incorrectly been recorded as female in the baseline questionnaire. These were dropped from the program, given a final breakdown of 299 in job voucher only, 300 in training only, 299 receiving training and voucher, and 449 in the control group.

Control, the students receive standard educations

Individual Level

2010-2011

The wage subsidies led to extremely large short-term gains in employment, particularly outside of Amman, with a 25 percentage point increase in employment in Amman and 50 percent increase outside of it. However, by the last survey, the voucher no longer had any impact on employment likelihoods in Amman, and the treatment effect had shrunk to 8.5 percentage points outside Amman and appears as if it may be due to displacement of jobs for the control group. The soft skills training had no short-term impact on employment, but had a weakly significant 6.1 percent impact outside of Amman at endline, although this again may reflect displacement. Despite the lack of employment impact, the soft skills training did lead to improvements in life outlook and a reduction in depression, suggesting it may have benefits outside of the labor market.

Gender Action Plan, Adolescent Girls Initiative

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