

Youth-focused active labour market programmes in a constraining welfare regime: A qualitative reading of programmes in Egypt

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Introduction: ALMPS

- ▶ Seek to improve the prospects of gainful employment for the participants (OECD, 2007).
- ▶ Youth-focused ALMPs with the purpose to smoothen their school-to-work transition and to promote job creation (Angel-Urdinola, Kuddo, Semlali, & Leon-Solano, 2013).
- ▶ Four main types: training and skills development, entrepreneurship promotion, employment services, and subsidised employment (Angel-Urdinola et al., 2013; Bonoli, 2010; Lindsay & Mailand, 2004).

Purpose of this study

1. Provide an overview of the ALMPs field in Egypt.
2. Contribute to the theorisation about ALMPs in welfare regimes in developing countries.
3. Study the ramifications of the regime structure on the delivery of ALMPs
4. Dual challenge: weak evidence base and a tenuous theoretical backing.

Data Sources and Method

- ▶ Youth Employment Inventory (YEI) database: 182 interventions implemented in Egypt that focused on youth (descriptive statistics) / long text-based variables on project objective and description
- ▶ A compilation of project documents pertaining to key interventions in the YEI
- ▶ Phone and face-to-face interviews with key implementers, conducted by the researcher in 2013 and 2014 (24 in total).
- ▶ Qualitative research content analysis approach following inductive reasoning (open coding) approach

Youth employment issues and the welfare system in Egypt

- ▶ High youth unemployment (15.7%), an oversized public sector that provides favourable working conditions to its employees, a large informal economy, and very low female labour market participation rates (Assaad, 2014).
- ▶ Social welfare system: state subsidies, free schooling, a large public service sector, benefits skewed to serve the better-off
- ▶ The large pool of workers within the informal economy remains outside the purview of social protection (Barsoum, 2015; Loewe, 2004).
- ▶ CCT (pilot scale) in villages identified as the poorest in the country (Ministry of Social Solidarity (MOSS), 2015).

ALMPs in Egypt

- ▶ Offered by both state and non-state actors
- ▶ The majority (66%) focused on skill training; 24% entrepreneurship promotion; 8% employment services and 2% provided subsidised employment.
- ▶ 13% were nationwide interventions; but the largest share in urban metropolitan areas 47%).
- ▶ Only a small share (9%) explicitly targeted female youth: (two ends of the socio-economic spectrum: rural low-end; campus-based)
- ▶ 1 / 3 targeted educated youth, while the rest did not specify education as a targeting criterion.
- ▶ Only 5% of the interventions addressed young people with disabilities.

A. State Provided ALMPs (1 / 4)

- ▶ The legacy of guaranteed employment scheme continues: Egypt's national Youth Employment Plan of 2001: 170,000 young graduates per year in the government sector.
- ▶ Upon the 25 January 2011 mass demonstrations, successive cabinets followed populist demands for more public service hiring: 400,000 actual hires and projections of an additional 400,000
- ▶ Unlike the recently implemented Youth Guarantee model in European countries, which is an outcome-focused limited-duration intervention for four months (European Commission, 2015), Egypt's guaranteed employment programme offers permanent jobs.

A. State Provided ALMPs (2 / 4)

- ▶ State-sponsored technical and vocational training programmes: 1,237 training centres and 232 vocational educational centres affiliated to different governmental institutions
- ▶ Virtually all line ministries have affiliate vocational training centres, implemented in Egypt's 27 governorates (MoM, 2009).
- ▶ A pre-defined list of skills: from welding, car mechanics and residential electricity to 'needlework for girls' and 'mother-of-pearl ornamenting': A key weakness, limited flexibility; responsiveness to market needs
- ▶ Minimal or no cost to beneficiaries: quality of training offered; availability of training materials, trainers' expertise
- ▶ Traditional programmes that focus on providing hard-skills and that take place in a classroom setting have little, if any, positive impact (Angel-Urdinola & Kuddo, 2013).
- ▶ No evidence of coordination; weak documentation, monitoring for results or rigorous evaluations of the impact.

A. State Provided ALMPs (3 / 4)

- ▶ State-sponsored employment service offices: 360 employment offices across the country (Amer, 2012).
- ▶ Historically created to register job seekers to coordinate public service hiring.
- ▶ Mandate expanded to offer employment services through the private sector: constrained by poor infrastructure, weak staff competencies to build networks with the private sector and lack of access to computer technology (Amer, 2012)

A. State Provided ALMPs (4/4)

- ▶ Entrepreneurship promotion: SFD as the key player;
- ▶ The Fund disbursed about \$2.5 billion from its inception up to 2009, nearly two-fifths of this amount was devoted to activities for entrepreneurship promotion, community development, and infrastructure (Abou–Ali et al., 2009).

A. State Provided ALMPs: Growing Trends

- ▶ Partnership with CSOs with support of int'l donors
- ▶ donor-funded training programmes: upgrade existing training facilities, update curricula. enhance programme design by adding on-the-job training components and partnership with private-sector employers
- ▶ upgrading some state-owned employment offices
- ▶ Creating parallel structures
- ▶ Still strong role of state-led ALMPs.

B. ALMPs and Egypt's welfare mix of non-state actors

- ▶ Blurring of boundaries between the state and non-state providers: SFD operates thru >100 NGOs; supporting 15% of CSO interventions.
- ▶ YEI database: 152 CSO interventions (83% of the total players).
- ▶ These include local and international CSOs, small single-location CSOs and larger multiple-operation umbrella CSOs.
- ▶ Few faith-based organisations in the field of ALMPs, perhaps due to their focus on immediate health and education services

B. ALMPs and Egypt's welfare mix of non-state actors

- ▶ Flexibility of operation: innovative models; enterprise-based; demand-driven programmes; combined with apprenticeship opportunities; partnership models with universities and the private sector; integrated approach; focus on soft skills; international certification; use of social media channels; focus on young people with special needs.
- ▶ Persisting old models: supply-driven classroom-based training programmes; focus on traditional skills 'needlework for girls'; training as a source of cheap labour;

B. ALMPs and Egypt's welfare mix of non-state actors

- ▶ Limited outreach: Half of the training programmes in the dataset have fewer than 500 beneficiaries, with the remarkable exception of one CSO that provides International Computer Driving License (ICDL) courses to 5,000 participants on-line.
- ▶ CSOs providing micro-loans had the largest outreach: (e.g. 55,000 micro-loans to more than 20,000 borrowers)
- ▶ Shadow programs: A lot of '*doing something for the youth*' with very little outreach and concrete outputs.
- ▶ Weak documentation; weak culture of evaluation of impact and accountability: Out of the 182 interventions, only four had impact evaluations, and only 52 had process evaluations

How to understand this experience within the existing literature?

- ▶ This is not from the ‘league of advanced capitalist democracies’ (Esping–Anderson, 1990)
- ▶ No history of universalistic entitlements or an institutionalised commitment to welfare (Titmuss, 1965).
- ▶ Not at the stage of the ‘active welfare state’ (Bonoli, 2013), described as latest phase of the welfare state in capitalist democracies.

How to understand this experience within the existing literature?

- ▶ Rudra's (2007) three groups: i) those promoting market development, labelled as 'productive' welfare states; ii) those protecting select individuals from the market, labelled as 'protective' welfare states; and iii) a third group experiencing a 'dual' welfare approach.
- ▶ The 'protective' state role: selectively protects a small politically privileged stratum from market powers; marked by free or heavily subsidised tertiary education systems; public employment in permanent-status jobs and favourable social protection measures
- ▶ An example of the broadening of the focus from 'welfare state regimes' to a 'welfare mix' or an 'institutional responsibility mix', incorporating markets, family, NGOs and clientelist networks (Gough et al., 2004)

Argument ..

- ▶ Egypt's ALMPs are constrained by the country's legacy of a state 'protective' role (Rudra, 2007): public employment, the limited spending on skill building and the use of out-dated models.
- ▶ Some oscillation towards "productive" role with entrepreneurship promotion
- ▶ Constrained by the fragmentation of activities related to the multiplicity of players within the country's extended welfare mix (Gough et al., 2004): lack of coordination of activities, donor-dependence and the predominance of the pilot modality that is both poorly documented and evaluated.

Could ALMPs be part of a new social contract in Egypt?

- ▶ Very difficult to predict
- ▶ Bonoli (2013) argued that Southern European countries have been late in adopting welfare activation policies: budgetary constraints AND the selective deregulation of the labour market, creating cleavages between those covered by social security measures and system 'outsiders'.
- ▶ Similarly, Ferrera's (1996) description of the Latin Rim with its multiplicity of players, corporatist income maintenance system and the bigger role for non-state actors, including religious institutions.
- ▶ Egypt's large informal economy remains a shock absorbent and delays the urgency for welfare activation policies.

A final practical note

- ▶ Governance challenges of weak stakeholder coordination, quality assurance mechanisms and programme monitoring and evaluation continue to be paramount challenges to ALMPs in Egypt.
- ▶ Donors are still the key players in this field. Importance to reinforce the value of information sharing, project documentation and evaluation, coordination, and plans for institutionalisation and sustainability.
- ▶ This would hopefully pave the way for more institutionalised initiatives that could be provided on a larger scale and in a more effective way

Thank you