

Reducing Youth Unemployment Rates Using Behavioral Design

ideas **42**



Enhancing Job Search and Matching Programs to Close Egypt's Unemployment Gap

High youth unemployment rates are sounding the alarm in Egypt for their potential to cause socio-political and economic instability. To reduce youth unemployment rates and help young job seekers successfully gain employment, ideas42 worked with Egypt's Labour Market Access Project (LMAP) of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the German Government in cooperation with the Network for Employment Promotion (NEP) to redesign their job seeker program using behavioral science. The redesign led to significant increases in success rates and formal job placements, with promising potential for significant impact on youth employment rates if scaled.

High Youth Unemployment Conflicts with High Job Vacancy Rates

NEET, an acronym commonly used to describe youth that are not employed nor enrolled in education or training, is one of the most challenging issues facing Egyptian society. Defined as youth between the ages of 15-24, Egypt has one of the highest youth NEET rates in the world with rates as high as 28% in 2019.¹ The 2011 Arab Spring showed us how social, economic, and political exclusion can threaten economic welfare, and proved that stable employment and career opportunities are critical for their stability and growth. Despite the high numbers of youth NEET, many Egyptian employers need help to recruit enough workers, especially for jobs requiring manual labor like construction and manufacturing. With high job vacancy rates and high youth unemployment, it's clear that job seekers face barriers in accessing the job market. GIZ Egypt represented by the Labour Market Access Project (LMAP) is working in partnership with the NEP to close this gap by matching Egyptian youth with fair employment opportunities. To meet the criteria of fair employment by the NEP, a job must have a full-time contract, minimum wage, safe working conditions, and social and medical insurance.²

Egyptian youth interested in this type of formal employment turn to the NEP to help connect them with fair job opportunities. After registering for the program, they speak with an employment officer and provide information about their previous experience and preferred sector. Based on this information, the employment officer will then work to match the young job seeker with

Highlights

- ▶ Behavioral barriers like present bias and resource scarcity make it difficult for youth job seekers to persist through a job placement program. When provided a flyer that helped them visualize the benefits of persisting through the program and earning formal employment, job seekers were twice as likely to persist to second and third interviews.
- ▶ Without prior experience, youth job seekers often felt unprepared for formal job interviews. Providing these job seekers an interview checklist and affirmation activity to identify their unique skills resulted in a 58% increase in job placement in comparison to those that did not receive these interventions.

¹ <https://data.worldbank.org/indicator/SL.UEM.NEET.ZS?locations=EG>

² <https://nep-egypt.com/about/>

a suitable job. Once the employment officer finds a good fit, they will nominate the job seeker for the position and organize an interview with the employer. The job seeker then must attend the interview to receive a job offer.

Program data and discussions with NEP staff revealed that while 78% of registered job seekers earn a job nomination, only 27% who are nominated begin a job, either because they didn't attend the interview, were not offered the job by the company (which is uncommon), or were offered the job but turned it down. Job seekers can get up to three job nominations through the NEP. So, if they aren't placed through their first nomination, they still have two more opportunities to be placed through the program. However, those who persist to second and third nominations are quite low: only 13% of job seekers move on to a second nomination, and only 15% of those who moved on to a second nomination persist to a third. This highlighted that **job seekers in the NEP face difficulties in persisting through the job placement process**. To address this challenge, ideas42 worked with GIZ Egypt–LMAP and NEP staff to identify the behavioral barriers job seekers faced in the job placement process and designed behavioral interventions to support youth in gaining employment through the NEP.

Helping Job Seekers Overcome Behavioral Barriers and Gain Employment

ideas42 worked closely with GIZ and NEP staff to map the job seeker's journey through the program and identify when and why job seekers might have trouble completing the steps necessary to successfully gain employment. Together, we held discussion groups, reviewed program documentation, and analyzed program data to design solutions to mitigate the identified barriers and ultimately support job seekers successfully gain employment through the program. Some of the identified barriers and solutions we designed to mitigate them included:

- 1. Job seekers may weigh the immediate costs of finding a formal job higher than the long-term benefits.** Many job seekers in the NEP work informal jobs. Although these jobs are inconsistent and lack contracts and benefits, they often provide same-day compensation that is necessary to cover basic needs. While formal jobs through the NEP offer long-term benefits and stability, job seekers won't receive the benefits until they have completed the placement process, signed the contract, and began their new job. And, similar to a salaried job, they also won't receive their first paycheck until they have worked their new job for a pre-specified period. Exacerbated by resource scarcity and focus on their immediate needs, job seekers may overweigh the short-term benefit of daily compensation in informal jobs relative to the long-term benefits of persisting through the NEP, which may cause them to give up on the program.

- ▶ **Solution:** To address this, we designed a flyer comparing formal and informal employment to help job seekers visualize the pros and cons of persisting and remind them of what they are working toward through the program. Job seekers were given the flyer at the NEP office by an employment officer when they registered for the program.

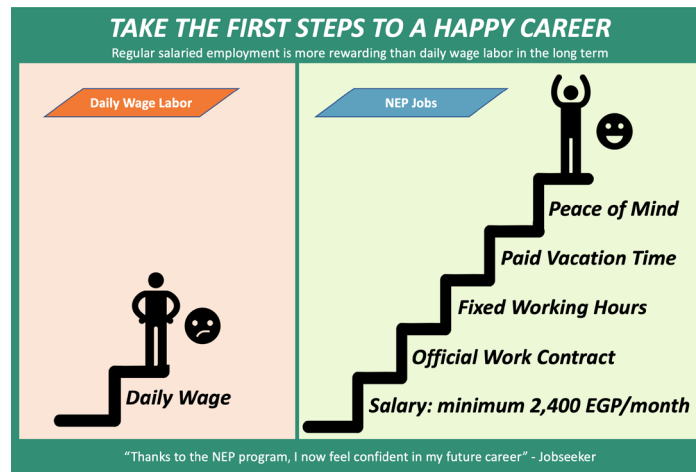


Figure 1: Road to Discovery Affirmation Activity

2. Participation in the program may prime job seekers’ identity as unemployed, negatively impacting their self-perception.

Unemployment is often associated with harmful stereotypes that may negatively impact a person that identifies as unemployed. When people are primed to consider an aspect of their identity, they may, intentionally or unintentionally, act in ways associated with stereotypes of that identity. Some aspects of the NEP may remind job seekers that they are unemployed, or prime their identity as someone who has not previously worked in the formal sector. This, in turn, may unintentionally discourage job seekers from continuing through the job placement process. For example, many job seekers told us that they had previously believed formal jobs required a bachelor’s degree, so without that level of formal education, they felt unqualified for the positions offered.

- **Solution:** To combat this, we designed an affirmation activity that allowed job seekers to reflect on their skills and accomplishments to prime positive identities and build feelings of confidence as they begin the nomination process.

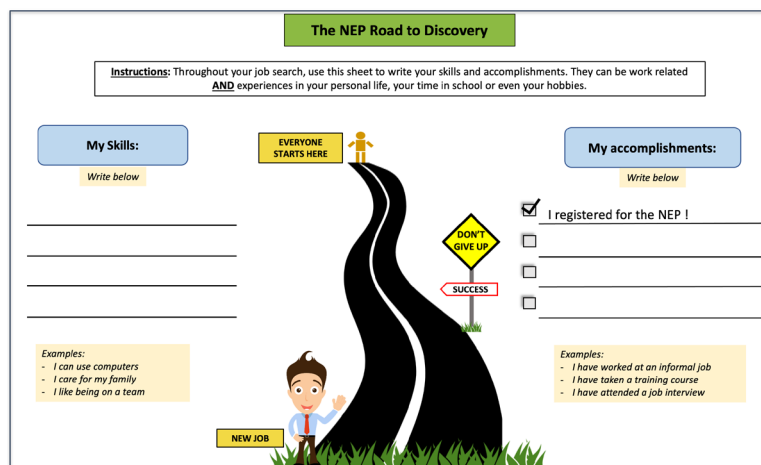


Figure 2: Flyer Comparing Formal and Informal Employment

3. A negative first interview experience may discourage job seekers from continuing to a second.

The original program design lacked effective preparation materials and guidelines that explained what youth job seekers should expect during their interviews, ultimately leaving them feeling unprepared. This sometimes led to poor treatment from the person interviewing them, leading to feelings of disappointment and discouragement. For example, many job seekers felt unprepared to answer questions that asked them about their skills, and upset with how the interviewer spoke to them when they had difficulty thinking of an answer immediately. These experiences led job seekers to drop out of the program to avoid a second negative experience, even though their goal of formal employment had not changed.

► **Solution:** To address this, we created a job interview checklist that demystified an unfamiliar process, prompted them to practice answers, and helped bolster their confidence.

Job Interview Checklist

Instructions: Fill this checklist out before your job interview.

Getting there: The location and time is on the job interview card NEP gave you. Bring it to the interview.

How will you get to the interview? _____

To arrive 10 minutes early, I will leave at what time? _____

At the interview:

The employer may ask you to **introduce yourself**. Write how you will introduce yourself. (For example: My name is ____, I live in Cairo with my family, I used to sell snacks, but I am now looking for a new job.):

The employer may ask **why they should hire you for this job**. Write how you will respond or why you are interested in this job. (For example: My name is ____. You should hire me I want to be a driver / I have worked in a factory before / I am interested in this job.):

The employer may ask about skills or strengths that you will bring to the job. Even if you have never had a formal job, **you have skills from your personal life, hobbies, or informal work!** Below are examples. If you agree with them, check the box, and explain. Or write examples of other skills you have:

Time management (think of a time you had a schedule for an informal job or with family): _____

Teamwork (think of a time you have worked with other people, in an informal job or for a hobby like a sport): _____

Problem-Solving (think of a time you ran into a problem, in an informal job or in your interactions with friends or family; how did you fix it?): _____

Other Skills: _____

Great, you are ready for the interview! Remember, a decent job is a two-way road: You bring the skills and power, and the employer brings the opportunity and salary.

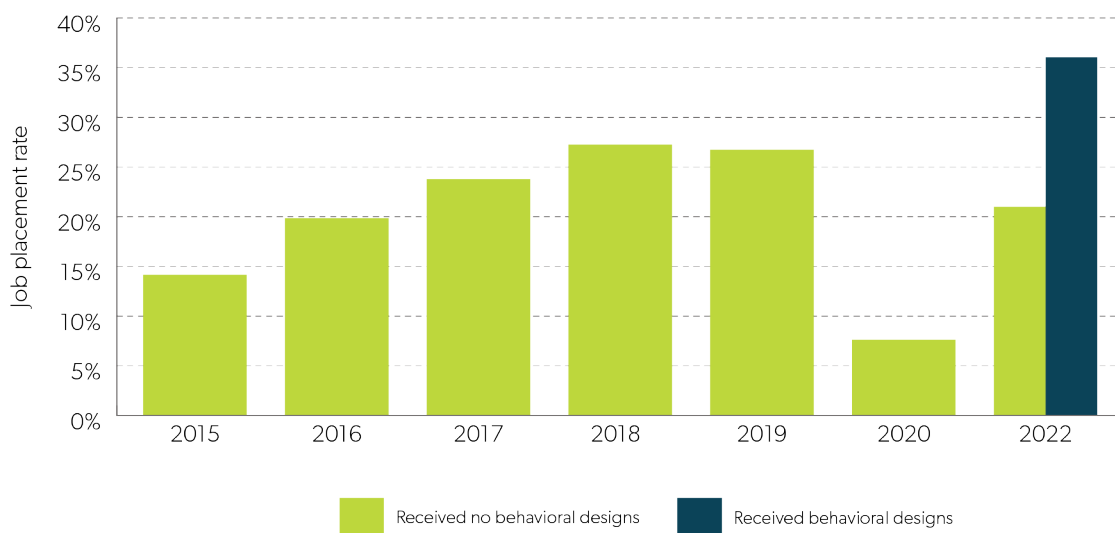
Figure 3: Job Interview Checklist

Behavioral Interventions Help Youth Job Seekers Persevere and Earn Jobs

From March to July 2022, ideas42 and the NEP tested the behavioral designs effectiveness at supporting job seekers through the program through a randomized controlled trial (RCT). During the test period, 62 job seekers who registered for the NEP were randomized into a treatment group, receiving all three of the behavioral designs described above, while 53 others were randomized into a control group, receiving only the program as it was traditionally provided.

The results are promising: job seekers who received the behavioral designs were 58% more likely to be placed in jobs during the 4-month test period, with the control group being placed at a rate of 31% and the treatment group placed at a rate of 49%. In addition, job seekers who received the behavioral interventions were nearly twice as likely to persist to second and third job nominations if they were not placed in the first one when compared to those in the control group.

When comparing annual program data, we see that the placement rate is consistently between 14-27% across years since 2015 (with an exception in 2020, which was challenging due to the pandemic), and the introduction of the behavioral designs in 2022 led to a significant increase in placement among job seekers who received the behavioral designs (shown in Figure 4 below).



***Note: we do not have job seeker data for 2021*

Figure 4: Percentage of Job Seekers Placed in Jobs

Behavioral Design Enhances Job Search and Matching Programs and Helps Close Unemployment Gaps

Simple changes to the NEP program, designed with the realities of human behavior in mind, encouraged job seekers to persist through the program and supported them on their path to formal employment. Our work in Egypt also provides evidence that behavioral interventions tailored for job search and matching programs can enhance program outcomes. We are now working with the LMAP and the NEP on scaling these designs across Egypt through LMAP network of Employment Centers and support an even larger number of job seekers in their pursuit of long-term, stable employment.