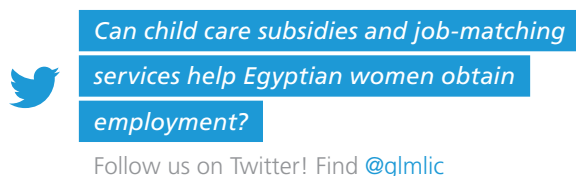


Child Care Subsidies and Employment Services in Egypt

Interventions Did Not Increase Maternal Employment

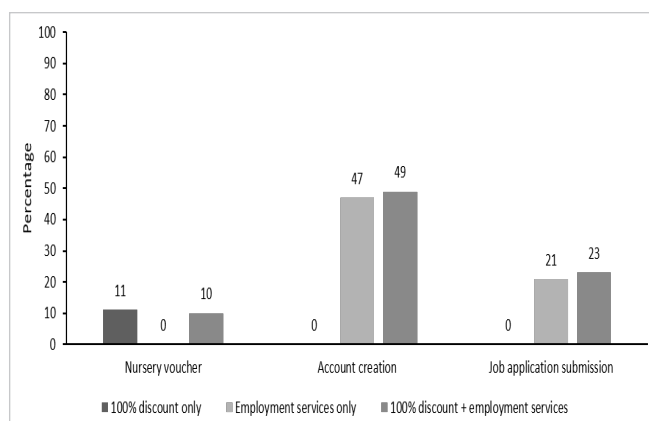
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Topic at a Glance

Globally, as of 2023, only 45% of women were employed, compared to 68% of men (International Labour Organization 2023). Gender gaps in employment are even starker in the Middle East and North Africa. In Egypt, as of 2022, while 66% of men were employed, only 13% of women were employed (CAPMAS 2022). Women in Egypt have even lower rates of employment when they marry and form families (Krafft, Assaad, and Keo 2022; Selwaness and Krafft 2021; Assaad, Krafft, and Selwaness 2022). A randomized controlled trial in low-income areas of Greater Cairo, Egypt, tested whether helping women with young children with care-giving and finding jobs could increase their employment. The experiment randomized 25% and 75% child-care subsidies (vouchers, subsequently raised to 100% subsidies) for registered NGO nurseries. The experiment also cross-randomized employment services to help women find and apply for jobs. While only 11% of the women were working at baseline, among the non-employed, 40% wanted to work, and 46% of the women wanting to work reported child care as the primary barrier to employment.



Caption: Ever take up of nursery vouchers, employment services account creation, and employment services job application submission by treatment arm (percentages)

New Insights

Take-up of child care subsidy vouchers was low. Around 11% of those offered vouchers ever used them over a year of study, although all households in the study had nursery-age children and were within 2 kilometers of a nursery. There were no differences in take-up when nursery vouchers were combined with employment services. Women did often create an account with the employment services (47-49% depending on whether they also received a subsidy), but only around 21-23% of women offered the employment services submitted a job application.

Ultimately, neither nursery vouchers, employment services, nor the combination improved women's labor market outcomes. While only 17.9% of women in the control group were employed at endline, there were no differences in employment for women who received nursery vouchers or employment services. Only four women obtained a job through the employment services.

Why was there limited take-up of child care vouchers? Mothers who did not use the vouchers gave variety of reasons, such as the nursery being too far away (although it was within 2km), the child being too young, and concerns with the quality and safety of nurseries. Observational data on the nurseries suggests that while in some regards nurseries were quite safe (e.g. 100% had soap and running water), in other ways the quality was mixed, for instance, only 54% of nurseries had yard space. Additionally, nurseries offered limited standard hours of care, most commonly only 6 hours per day, although often nurseries did offer additional hours at an additional cost.

Why did the employment services lead to little employment? Women were potentially interested in jobs – half created a profile – but few applied and even fewer interviewed or obtained jobs through employment services. Women who did not apply often noted they were not interested (20%), that their husbands refused (18%), their preferences were unmatched (16%, e.g., they needed a part-time job), and locations were far (14%). Women also often declined interviews when they got them (85%), or declined the job offers they did get.

Women declining to apply, interview, or accept jobs from the employment services may be due in part to mismatch between their preferences and the jobs available. The employment services had data on women's background and preferences and worked to find vacancies that matched as much as possible. However, the types of jobs women preferred were not necessarily available. For instance, 19% of the vacancies proposed to women were for indoor sales roles – which only 21% of women said they would be willing to accept at baseline. Some working conditions, such as commute time, wages, or social insurance coverage, were matched nearly half the time. However, other conditions, such as 70% of mothers preferring part time work, were not well matched – less than 1% of jobs were part-time.

Restrictive gender norms may have substantially constrained the use of both nurseries and employment services, and underpinned labor market mismatch. While 94% of women and 85% of men support women working from home, there is less support for married women working (92% of women and 69% of men), or women working outside the home (91% of women and 53% of men). The conditions of work are particularly important to determine whether it is acceptable for women to work. Only 53% of men and 40% of women think it is acceptable for women to work in a male-dominated environment, and similar shares think it is acceptable for married women to work and return after 5pm. Likewise, only 67% of women and 34% of men thought it was acceptable to leave children at the nursery in order for women to work.

Policy Recommendations

While this project increased one aspect of access to nurseries – reducing nursery costs – this was not sufficient to appreciably increase use of nurseries or women's employment. Child care vouchers may need to be paired with improvements in other aspects of nursery access and quality to increase their appeal and use. The Ministry of Social Solidarity already has a national project underway to improve the quality of nurseries and highlight their importance to children and families (Ministry of Social Solidarity 2018).

Although the employment services worked to match jobs with women's preferences, there was clear mismatch between the jobs available and the jobs women were willing to accept. Policies and programs to encourage women-friendly jobs may be important to facilitating women's employment. Encouraging part-time work and the integration of employment opportunities into residential neighborhoods are examples of policies that would generate women-friendly jobs.

Restrictive gender norms constrained both the use of nurseries – by prioritizing familial care – and employment opportunities – by limiting what jobs women could consider. Policies and programs need to address norms that prioritize care-giving

and limit what work is socially acceptable for women. Recognizing, reducing, and redistributing unpaid care-giving is critically important for women to be able to reconcile family and employment (Economic Research Forum and UN Women 2020). Changing gender norms can happen throughout society, via mechanisms such as the media and school system (Jayachandran 2019; Dhar, Jain, and Jayachandran 2022).

Efforts to increase women's empowerment and employment may need to take a multi-faceted approach. Parallel to programs that are highly effective at addressing "poverty traps" by tackling multiple constraints simultaneously, programs to address "gender traps" may need to address a large number of constraints at the same time to increase women's employment. While this study tried to address both job matching and child care affordability, issues such as child care quality, labor market mismatch, and restrictive gender norms may need to be addressed together to lead to meaningful improvements in women's employment and empowerment.

Limitations

The research had a strong design – a random experiment. One concern could be attrition (non-response), particularly non-random attrition, where those who received services may have been differentially likely to respond to follow-up surveys. While attrition was 35% at the endline compared to baseline, there were not substantial differences in attrition by treatment arm.

The findings of this project may not generalize to other contexts. Our study focused on mothers with children aged 1-5 living in low-income urban areas of Greater Cairo. Studies in other low-and middle-income contexts have almost always shown positive effects of lowering the costs of child care for women with young children (Halim, Perova, and Reynolds 2023; Clark et al. 2019). Child care subsidies may however, be less effective in contexts with low rates of women's employment, or their effectiveness may depend more on complementary conditions, such as the length of care provided (Krafft and Lassassi 2023; Schlosser 2005; Medrano 2009). The global evidence on job matching programs is more mixed (Elsayed, Hempel, and Osman 2018; Groh et al. 2015; Abdul Latif Jameel Poverty Action Lab (J-PAL) 2018). Future research is needed to better understand the conditions under which child care subsidies and employment services do – or do not – impact women's employment. The role of social norms in constraining women's employment is also an important area for further research.

Read more → g2lm-lic.iza.org/projects/gender-parity/working-together-or-never-womens-labor-supply-externalities-and-the-unemployment-trap/

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