

FINAL TECHNICAL REPORT / RAPPORT TECHNIQUE FINAL

POLICY BRIEF 1

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Do Job Fairs work? Lessons from a randomized experiment in Egypt

Featuring an evaluation by Bruno Crépon, Adam Osman, and Mona Said

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Egypt, like many other countries in the world, is dealing with a high unemployment rate that has reached 10.76% in the last quarter of 2016 (World Bank, 2019). Many governmental and non-governmental organizations are working to combat high unemployment using a variety of strategies. While unemployment is an issue at the national level, many firms also complain about labor shortages, with a lack of workers willing to fill the tens of thousands of vacancies that businesses say they have. One strategy used to match unemployed job seekers with firms is job fairs. Job fairs have the potential to decrease many of the matching frictions that exist in the labor market. On the other hand, the optimal design of a job fair, both from the jobseeker and the firm side, is not necessarily clear. One problem that is faced in Egypt is that attendance at jobs fairs is low. If the jobs are there but there is no one there to take them, the matching frictions lead to losses on all sides of the market.

In partnership with the Micro Small Medium Enterprise Development Agency (MSMEDA), Shaghalni, and JobMaster, researchers evaluated different interventions to increase job fair attendance in Egypt. Researchers studied the effect of bridging general information frictions (do job seekers know about the existence of jobs fairs and how to participate in them?), labor market information frictions (what types of jobs are available in job fairs and the labor market more broadly), and capital constraints (how do the monetary costs of attending a job fair impact participation?).

KEY RESULTS

Information frictions are an important part of the reason why job fairs are not as well attended as the organizers would like. When job seekers are given only basic information about the existence of the job fair, we find an increase of 4.7 percentage points in attendance, a 134 percent increase relative to the control group. We also see that providing information on wages increased attendance by 0.6 percentage points on average and that this difference is not statistically significant.

Monetary constraints are as important as information frictions. We considered the impacts of providing people with a travel voucher for fair attendance. We find strong positive impacts of the travel voucher, with a 5.1 percentage point increase, on average, which is relatively similar across both men and women. This estimated impact is very similar in magnitude to the impact of the basic information treatment.

Information does not have a uniform impact on jobseekers but interacts with their existing beliefs. We find that those who had accurate expectations to begin with did not differ in their attendance rates when given information on wage ranges available at the fair. On the other hand, those who had lower expectations of wage ranges than reality were more likely to go to the job fair when given information on wages available at the fair.

Women are much more likely than men to have lower expectations about available wages at a job fair. Women also have lower reservation wages than men, where 23% of women versus only 5% of men had reservation wages below the job fair wage range. Finally, more women than men have market wage expectations below the ranges offered at the fair.

Evaluation

This experiment aims to bridge the mismatch between job seekers and employers and mitigate job search obstacles through improving job matching in job fairs. The evaluation takes place in three job fairs in Sohag and Cairo and introduced interventions that aim at reducing information frictions and cash constraints. The research team partnered with two employment companies in Egypt. Shaghalni.com and JobMaster. Shaghalni.com is one of the biggest online platforms in the region, connecting blue and grey collared job seekers with employers. JobMaster is one of the leading Human Capital Solutions providers in the MENA region that have provided recruitment services since 1995.

The evaluations used a door-to-door recruitment design where trained data collectors knocked on residency units and asked if the unit had eligible jobseekers for the experiment. The data collectors would then start the survey with them and give them the intervention according to the randomization instructions that would appear on their tablet. Randomization was done at the building level to reduce the possibility of information spillover between apartments in the same building. Buildings were randomized into seven groups:

Treatment 1: jobseeker is given a basic flyer with the date and address of the job fair;

Treatment 1s: same treatment as T1 but also offered a voucher redeemable at the fair;

Treatment 2: T1+ info on job fields, a salary scale, and the matching rate in previous fairs;

Treatment 2s: same treatment as T2 but also offered a voucher redeemable at the fair;

Treatment 3: T2+ info on decent jobs: minimum salary, formal contracts, social insurance, paid vacations, abidance by the Egyptian labor law, and providing a working environment where employees are respected;

Treatment 3s: same treatment as T3 but also offered a voucher redeemable at the job fair; and

Control: A baseline survey was conducted with no information or transportation subsidy provided.

Table 1. Randomization Details

	No Voucher	Voucher
Pure control: Survey only	T0	N/A
Basic info about job fair	T1	T1s
Wage info	T2	T2s
Decent job info	T3	T3s

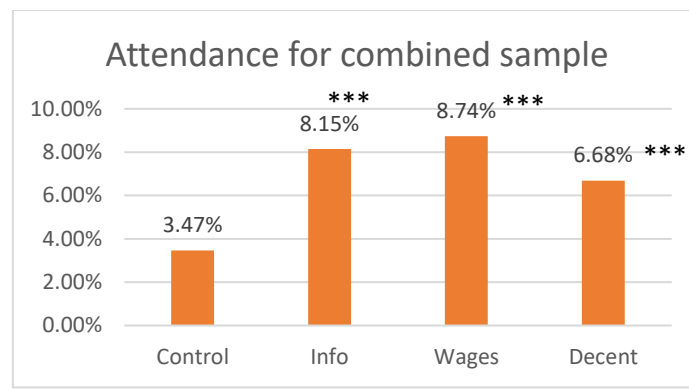
Results

Information frictions are an important part of the reason why job fairs aren't as well attended as the organizers would like. Across the whole sample, only 3.5% of individuals in the control group attended the fair. When compared to those in treatment 1, who are given only basic information about the existence of the fair, an increase of 4.7 percentage points in attendance is seen, a 134% increase. Attendance of women in the control group was lower than that of men, with only 2.4% of women attending relative to 4.1% of men. At the same time, the impact of basic information on women was greater, with a 5.1 percentage point increase (a 212% increase relative to control), as opposed to a 4.4 percentage point increase for men (a 107% increase relative to control). A similar

increase in attendance for individuals in the “info+wages” group is found, although slightly larger. When the marginal difference of the wages treatment relative to the “basic info” only group is estimated, we see that providing information on wages only increased attendance by 0.6 percentage points on average and that this difference is not statistically significant. When considering the third information treatment, which additionally provided people with information about how the jobs available at the fair were “decent jobs”, we find that this additional information, although intended to be a positive addition, actually led to a decrease in attendance on average. When split by gender, we find that the negative impact was concentrated among men.

Monetary constraints are as important as information frictions. Strong positive impacts of the travel voucher are found, with a 5.1 percentage point increase in attendance, on average, which is relatively similar across both men and women. This implies that information frictions are as big a constraint as monetary constraints in job fair attendance. It is not that one type of friction is the main driver of low attendance but that both types together have large impacts. Since the voucher treatment was cross-randomized with the information treatment, this means that those who got both the information and the voucher increased their job fair attendance by 9.8 percentage points (a 280% increase relative to control), which is a 10.0 percentage point increase for women (416% increase relative to control) and a 9.7 percentage point increase for men (a 236% increase relative to control).

Figure 1: Attendance



Information does not have a uniform impact on jobseekers but interacts with their existing beliefs. When restricting the sample to those in the “info only” group and those in the “info + wage” group, we find that, when given “info + wages”, those who had accurate expectations of salaries at the job fair to begin with did not differ in their attendance rates from those who got information only. On the other hand, those who had lower expectations than reality were more likely to go to the job fair when compared to those that only got basic information on the fair. No significant differences were found for individuals whose expectations were higher than reality.

Women are much more likely than men to have lower expectations about available wages at the job fair. Women also had lower reservation wages than men, where 23% of women versus only 5% of men had reservation wages below the job fair wage range. Finally, a similar pattern was observed with market salaries, where more women than men had market wage expectations below the ranges offered at the fair. On the other hand, no high disparities between men and women were observed in their perceptions about job opportunities in the job fair. Both men and women had very close perceptions about their chances of finding a job opportunity at the job fair and similar beliefs about the percentage of decent jobs at the fair.

Figure 2: Job fair perceptions by Gender - Wages



Figure 3: Job fair perceptions by Gender: Opportunities

