ASSESSING THE IMPACT OF PROVIDING ACCESS TO NURSERIES ON FEMALE LABOR FORCE PARTICIPATION IN EGYPT

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Women's employment in Egypt

- Even prior to the COVID-19 pandemic, female labor force participation was low and declining in Egypt
  - Women's employment rates had fallen to a low of 12% in 2019 then dropped to 10% in the second quarter of 2020 with the start of the COVID-19 pandemic.
  - Labor force participation also fell for women, from a rate of 16% in 2019 to 12% in the second quarter of 2020.

- The decline of the public sector, weak labor demand, difficulties reconciling private sector work and domestic responsibilities, discrimination, and restrictive gender norms have all been cited as longstanding potential causes of low rates of employment among Egyptian women

Intervention and randomization design

- J-PAL MENA affiliated researchers in collaboration with World Bank and under MENA Gender Innovation Lab is evaluating the impact of access to nurseries on FLFP using a randomized control trial (RCT)

- The experiment was designed to study whether alleviating two key constraints, namely providing subsidized child care and employment services, can increase female labor force participation for women with young children

Intervention and randomization design

- In our experiment, we evaluate the impacts of two interventions:
  - <u>Childcare subsidies</u>: mothers randomly assigned to this intervention will be eligible for a given subsidy on the price of the local NGO nursery, for one year. We offer subsidies of 25 percent and 75 percent of median nursery cost
  - <u>Employment services</u>: mothers randomly assigned to this intervention will be connected to local employers providing formal jobs via Forasna

- We randomize both interventions at the level of the individual mother.

- We assign:

  - One fourth of the sample to pure control (no subsidy and no employment services)

  - One fourth of the sample to childcare subsidy but no employment services (evenly split between the two levels of the subsidy)

  - One fourth to employment services but no subsidy

  - One fourth to both subsidy and employment services

Preliminary recommendations based on baseline data

- 21% of women did not know of a nearby nursery. **Providing information about local nursery availability** is thus an important initial step to providing child care

- Mothers expressed serious health and safety concerns as their main worry about nurseries. Plans by the MoSS to **develop a monitoring and evaluation system to ensure nursery quality** are critically important

- Care must be of adequate length to allow employment. **Full-day child care is much needed**

- Care must be affordable. Women reported being willing to pay, on average, 160 EGP per month for child care. **Child care subsidies are one policy that can make child care more affordable, particularly in low-income areas, and increase women's employment**

- **Attitudes and beliefs around women's work are still in need to be addressed**

- While lack of childcare available is the main reason why mothers are not working. We are witnessing low nurseries take-up (2% of the eligible sample is using the subsidies)

New intervention at follow up survey

- To increase subsidies take-up:
  - Increase subsidies to 100% for all mothers initially randomized into the childcare subsidies recipients and divide them into 4 groups and assign:

    - One fourth of the subsample to get only *"100% subsidies"* to measure take up when price is zero

    - One fourth of the subsample to *"100% + nursery visit"* to measure the boost in take up obtained by offering the option to verify nursery quality

    - One fourth of the subsample to *"100% + time-limited financial incentive to mothers" to measure the* boost in take-up obtained by offering a time-limited financial incentive to join the nursery

    - One fourth of the subsample to *"100% + time-limited financial incentive to fathers"to measure* whether giving fathers a financial stake in the decision is more effective than giving it to mothers

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Thank you