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Paper title:

**Participation in Public Employment Services
in Francophone Sub-Saharan Africa**

By

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Outline

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1. Background (1/2)

- ❑ The economic crisis of the mid-1980s had a negative impact on the economies of Francophone Sub-Saharan African countries (SSA).
- ❑ Creation of Public Employment Services (PES) mitigating this impact on the labor market
 - National Employment Fund (Cameroon)
 - National Employment and Manpower Office (Congo)
 - National Office for Promotion of Employment (Chad)
 - Employment Directorate (Senegal)
 - Youth Employment Agency (Côte d'Ivoire)
- ❑ But this programs lack of incentives (unemployment benefit, social minima, safety net, etc.)
- ❑ Which explains the low take-up rate for PES in Francophone sub-Saharan countries (2.3% in Cameroon, 9.1% in Congo, 8.5% in Côte d'Ivoire, 1.5% in Senegal).

1. Background (2/2)

- ❑ Population statistics suggest that between 10 and 12 million young people enter the labor market in Africa each year.
- ❑ Projections argue that this flow of young people's transition into the labor force is expected to increase in the coming decades.
- ❑ This context places the improvement of Active Labor Market policies (ALMPs) in general and the support provided by PES in particular at the heart of labor market issues in Africa.

2. Motivation and Problem Statement

- ❑ Work dealing with labor market integration in Africa does not often refer to the formal channels implemented in job search (see De Vreyer and Roubaud, 2013 for the case of urban labour markets in sub-Saharan Africa; Yogo, 2011 for the case of Cameroon).
- ❑ There is a large literature on evaluation of ALMP (Kluve et al. 2019). However, SSA countries seem to be unconcerned by these issues.
- ❑ Participation in a program is the first step in the evaluation. It is therefore essential to identify the factors that govern the take-up of public employment services in these countries.

3. Objective and contributions

- ❑ The objective of this paper is **to analyze the determinants of participation in PES in Francophone Sub-Saharan Africa.**
- ❑ First, to our knowledge, this study is the first to provide empirical evidence on formal job search channels in francophone Sub-Saharan Africa.
- ❑ Secondly, this study takes into account the possibility of combining several job search channels.
- ❑ Finally, this study identifies the correlation between PES and other public programs.

4. Literature review (1/3)

Personal characteristics, socioeconomic factors, and program specificities influence the participation in PES.

□ Personal characteristics

- Education affects both the eligibility of potential beneficiaries and their acceptance into the program (Weber, 2008; Heckman & Smith, 2004).
- Language barriers represent a limit to participation (Heckman & Smith, 2004).
- Unemployed tend to use PES because these programs are designed for them (Heckman et Smith, 1999).

4. Literature review (2/3)

□ Socioeconomics factors

- Lack of information about supports (Duflo & al., 2006; Duflo, E., & Saez, E. 2003; Saez, 2009)
- Transaction costs (Hernanz & al. 2004; Currie, 2006)
- Stigmatization explains non take-up (Moffit, 1983).

4. Literature review (3/3)

□ The responsibility of « bureaucrats »

- The complexity of the procedures (Dragos & al. 2010; Corden, 1987)
- Program rationing (Warin, 2008)

5. Methodology (1/3)

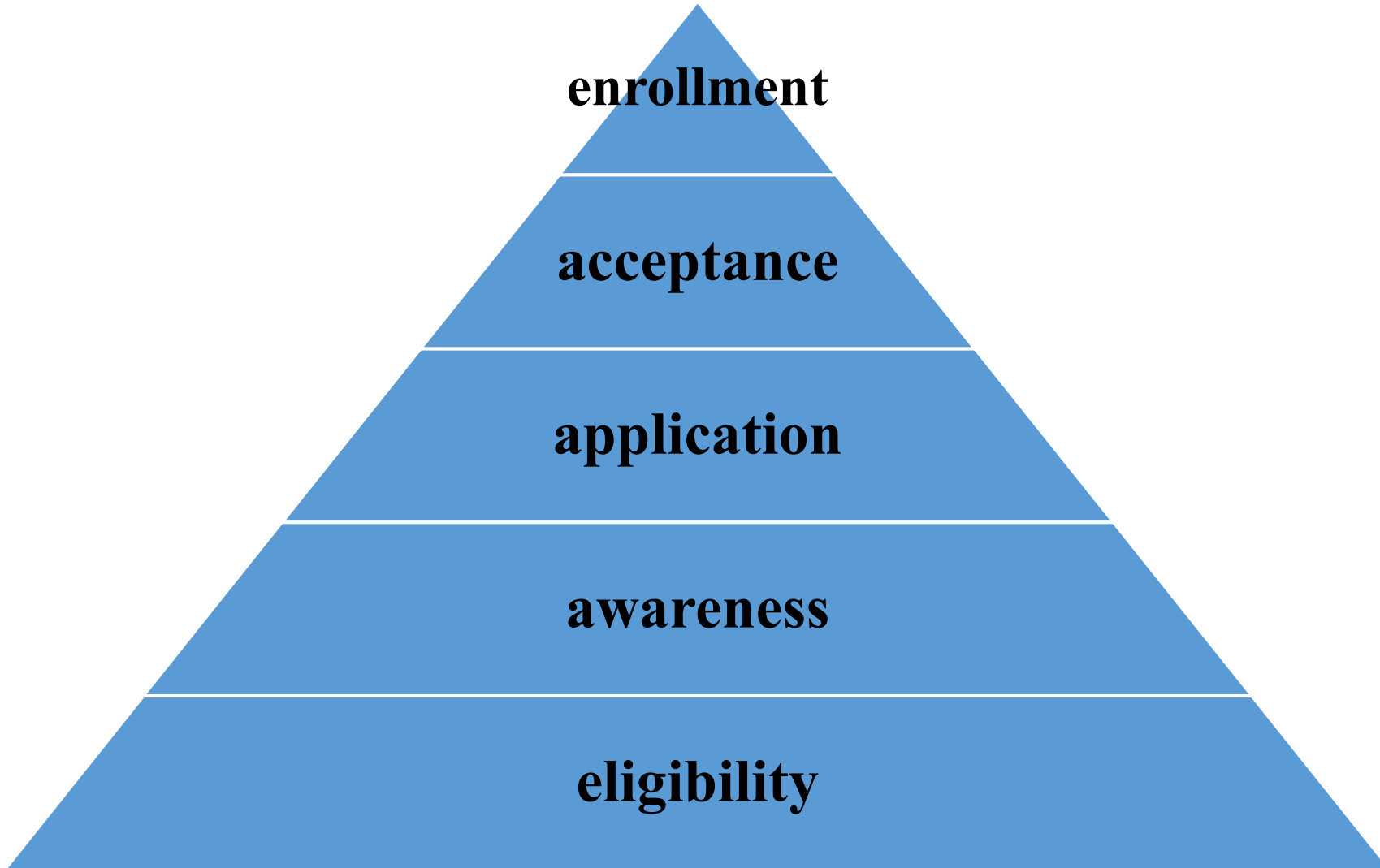
- ❑ **Data:** Survey on Improving Employment Policies (SEPI) carried out in 2018 on 14,936 individuals in five countries (Cameroon, Chad, Cote d'Ivoire, Congo Brazzaville, and Senegal), with the support of the International Development Research Centre (IDRC).

- ❑ **Identification strategy :**
 - The conceptual framework of Heckman and Smith (2004)

 - Bivariate Probit Model

5. Methodology (2/3)

The participation process of a prototypical program



Source: Heckman & Smith (2004)

5. Methodology (3/3)

Bivariate Probit model

$$(1) Y_1^* = X_1' \beta_1 + \varepsilon_1$$

$$(2) Y_2^* = X_2' \beta_2 + \varepsilon_2$$

$$(3) Y_1 = \begin{cases} 1 & \text{if } Y_1^* > 0 \\ 0, & \text{sinon} \end{cases}$$

Y_1 takes 1 if individual participates in PES and 0 otherwise

$$(4) Y_2 = \begin{cases} 1 & \text{if } Y_2^* > 0 \\ 0, & \text{sinon} \end{cases}$$

Y_2 is equal to 1 if he or she participates in at least one other public program and 0 otherwise.

6. Results and recommendations (1/5)

Table 1 : Bivariate Probit of Participation in PES and Other Programs (Marginal Effects)

	Awareness				Application			
	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	PES=1, Others=1	PES=0, Others=1	PES=1, Others=0	PES=0, Others=0	PES=1, Others=1	PES=0, Others=1	PES=1, Others=0	PES=0, Others=0
age	0.065 (10.22)**	-0.006 (9.38)**	-0.015 (3.34)**	-0.044 (13.50)**	0.009 (3.42)**	-0.002 (3.55)**	0.075 (9.71)**	0.075 (9.71)**
(Age/10) ²	-0.082 (7.93)**	0.009 (8.30)**	0.016 (2.28)*	0.057 (10.78)**	-0.011 (2.75)**	0.003 (3.19)**	-0.100 (7.90)**	-0.100 (7.90)**
Gender (Male==1)	0.071 (9.14)**	0.003 (2.18)*	-0.054 (7.17)**	-0.019 (4.18)**	0.017 (4.64)**	0.006 (6.55)**	-0.064 (8.02)**	-0.064 (8.02)**
Education	0.021 (13.67)**	-0.001 (6.43)**	-0.007 (4.71)**	-0.013 (15.35)**	0.003 (3.38)**	-0.000 (1.04)	0.013 (8.54)**	0.013 (8.54)**
Currently married	-0.023 (2.20)*	0.001 (0.51)	0.010 (0.96)	0.012 (1.83)	-0.001 (0.15)	-0.000 (0.50)	0.008 (0.74)	0.008 (0.74)
Health (Good==1)	-0.043 (1.54)	0.001 (0.25)	0.021 (0.79)	0.021 (1.20)	0.015 (1.12)	0.003 (1.10)	-0.013 (0.48)	-0.013 (0.48)
Number of children in the household	-0.002 (0.69)	0.001 (0.81)	-0.001 (0.22)	0.002 (1.12)	-0.001 (0.39)	0.000 (0.00)	-0.003 (0.69)	-0.003 (0.69)
Level of French (Master==1)	0.041 (1.72)	-0.002 (0.77)	-0.015 (0.74)	-0.023 (1.98)*	0.003 (0.24)	-0.000 (0.17)	0.021 (0.89)	0.021 (0.89)
Level of English (Fluent==1)	0.066 (8.22)**	-0.004 (2.88)**	-0.024 (3.11)**	-0.038 (7.96)**	0.010 (2.64)**	-0.001 (0.95)	0.050 (6.17)**	0.050 (6.17)**
Financial situation (Good==1)	-0.019 (2.51)*	0.001 (0.92)	0.007 (0.95)	0.011 (2.47)*	-0.001 (0.35)	0.001 (1.68)	-0.030 (3.98)**	-0.030 (3.98)**
Head of household	0.000 (0.01)	-0.004 (2.53)*	0.015 (1.85)	-0.011 (2.17)*	0.006 (1.81)	-0.002 (2.02)*	0.055 (6.58)**	0.055 (6.58)**
Regional unemployment rate	-0.063 (0.46)	0.075 (3.24)**	-0.258 (1.87)	0.246 (3.30)**	-0.290 (6.41)**	0.019 (1.77)	-1.403 (8.51)**	-1.403 (8.51)**

6. Results and recommendations (3/5)

Table 3 : Some Probabilities (awareness)

	Population	Cameroon	Congo	Côte d'Ivoire	Chad	Senegal
Marginal probabilities						
P (A=1)	0.865 (0.110)	0.936 (0.064)	0.758 (0.259)	0.879 (0.037)	0.864 (0.133)	0.843 (0.135)
P (B=1)	0.483 (0.137)	0.416 (0.136)	0.607 (0.271)	0.784 (0.041)	0.365 (0.153)	0.227 (0.101)
Joints Probabilities						
P (A=1, B=1)	0.465 (0.142)	0.410 (0.138)	0.595 (0.276)	0.744 (0.045)	0.354 (0.155)	0.215 (0.100)
P (A=1, B=0)	0.401 (0.088)	0.526 (0.106)	0.162 (0.081)	0.134 (0.027)	0.510 (0.109)	0.628 (0.094)
P (A=0, B=1)	0.017 (0.014)	0.005 (0.006)	0.011 (0.015)	0.039 (0.017)	0.011 (0.012)	0.012 (0.012)
P (A=0, B=0)	0.116 (0.100)	0.057 (0.059)	0.229 (0.252)	0.081 (0.024)	0.124 (0.125)	0.143 (0.130)
Conditional probabilities						
P (A=1 B=1)	0.528 (0.120)	0.433 (0.128)	0.733 (0.175)	0.846 (0.032)	0.397 (0.143)	0.246 (0.098)
P (B=1 A=1)	0.955 (0.049)	0.982 (0.023)	0.960 (0.062)	0.949 (0.021)	0.958 (0.060)	0.927 (0.078)
P (A=1 B=0)	0.772 (0.157)	0.901 (0.074)	0.615 (0.192)	0.679 (0.104)	0.813 (0.119)	0.805 (0.122)
P (B=1 A=0)	0.155 (0.162)	0.042 (0.014)	0.259 (0.078)	0.403 (0.063)	0.052 (0.020)	0.021 (0.009)
Treatment effects						
P(A=1 B=1)– P(A=1 B=0)	-0.243 (0.002)*	-0.463 (0.002)*	0.081 (0.005)*	0.154 (0.002)*	-0.406 (0.002)*	-0.541 (0.002)*
P(B=1 A=1)– P(B=1 A=0)	0.803 (0.001)*	0.949 (0.001)*	0.631 (0.002)*	0.531 (0.001)*	0.924 (0.001)*	0.960 (0.001)*

6. Results and recommendations (4/5)

Table 4 : Some Probabilities (application)

	Population	Cameroon	Congo	Côte d'Ivoire	Chad	Senegal
Marginal probabilities						
P (A=1)	0.686 (0.191)	0.662 (0.201)	0.659 (0.242)	0.696 (0.170)	0.728 (0.174)	0.675 (0.169)
P (B=1)	0.058 (0.053)	0.080 (0.027)	0.007 (0.005)	0.127 (0.044)	0.039 (0.016)	0.004 (0.002)
Joint Probabilities						
P (A=1, B=1)	0.050 (0.048)	0.067 (0.030)	0.007 (0.005)	0.108 (0.048)	0.036 (0.016)	0.004 (0.002)
P (A=1, B=0)	0.636 (0.180)	0.594 (0.179)	0.652 (0.238)	0.587 (0.138)	0.692 (0.162)	0.671 (0.167)
P (A=0, B=1)	0.008 (0.010)	0.012 (0.009)	0.001 (0.001)	0.018 (0.012)	0.003 (0.002)	0.001 (0.001)
P (A=0, B=0)	0.304 (0.187)	0.325 (0.194)	0.339 (0.242)	0.284 (0.159)	0.267 (0.172)	0.323 (0.168)
Conditional probabilities						
P (A=1 B=1)	0.071 (0.062)	0.101 (0.028)	0.009 (0.005)	0.153 (0.042)	0.048 (0.016)	0.005 (0.002)
P (B=1 A=1)	0.855 (0.138)	0.815 (0.160)	0.859 (0.164)	0.832 (0.126)	0.883 (0.113)	0.894 (0.107)
P (A=1 B=0)	0.678 (0.192)	0.649 (0.203)	0.658 (0.242)	0.678 (0.173)	0.723 (0.175)	0.674 (0.169)
P (B=1 A=0)	0.026 (0.026)	0.036 (0.013)	0.001 (0.001)	0.061 (0.018)	0.013 (0.005)	0.001 (0.001)
Treatment effects						
P(A=1 B=1)– P(A=1 B=0)	-0.606 (0.001)	-0.548 (0.003)	-0.648 (0.005)	-0.525 (0.003)	-0.675 (0.003)	-0.669 (0.003)
P(B=1 A=1)– P(B=1 A=0)	0.828 (0.001)	0.778 (0.002)	0.857 (0.003)	0.770 (0.002)	0.869 (0.002)	0.893 (0.002)

6. Results and recommendations (5/5)

- ❑ The study finds that public programs are complementary
- ❑ Governments should identify the segments in which public programs have a comparative advantage
- ❑ Consolidate employment programs that offer similar services into a *one stop shop* to enhance their effectiveness.

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