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Reaching marginalised jobseekers through public employment services: experimental evidence from Ethiopia

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- High rates of unemployment and self-employment is a growing challenge in low-income countries. Information frictions are a key factor and can exacerbate gender and education gaps in labour market outcomes.
- Public employment services (PES), local government agencies that provide job search assistance, have been widely tested and shown to support marginalized jobseekers in high-income countries. But there is limited rigorous evidence on whether they work in low-income settings.
- This policy brief presents emerging findings from one of the first experimental evaluations of a PES reform aimed at reducing information frictions, implemented in partnership with the government of Ethiopia.
- Findings suggest that bringing vacancy information to jobseekers through simple booklets significantly improved paid employment and income for lower-skilled women and increased their job applications and offers.
- Existing community networks played a central role in channelling high-quality information, making the intervention scalable at a fraction of standard active labour market policies' costs.

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Labour market challenges and information frictions

In low-income countries (LIC), job vacancies are often posted in a few locations, such as job boards in city centres. Online job portals require reliable connection and can be difficult to use due to language barriers or complex interfaces. As a result, **marginalized jobseekers, who are least able to access offline or online platforms, face the largest information gaps.**

Such information frictions are recognized as **a key factor behind high rates of self-employment and unemployment in LICs** and can exacerbate labour market discrepancies (Carranza and McKenzie, 2024). Women often face high barriers to job search and labour force participation. Further, these gender gaps intersect with education levels.

In Ethiopia, we see a similar pattern. The urban youth unemployment rate is 20 percent among men and 33 percent among women. Among those with only primary education, the gender gap is nearly twice as big: 21 percent for men versus 39 percent for women (Maaskant, 2023; Ethiopian Statistical Service, 2020).

Public employment services (PES) offer a potential way to reach marginalized jobseekers through personalized and localized support that addresses their accessibility constraints.

Experimental design: Reforming PES in Ethiopia

In Ethiopia, government-run PES centres are located across the country and offer free, in-person to jobseekers. However, lacking systematic connection to online or offline job portals, they often provide outdated vacancy information.

In 2019, the government launched a series of efforts to reform its active labour market policies. We worked with government partners to design, implement, and evaluate a program aimed at reducing information frictions.

From November 2022 to February 2023, **we conducted a citywide randomized experiment in Addis Ababa, enhancing the existing PES framework by introducing vacancy booklets.** A dedicated service provider collected vacancy information from online platforms, newspapers, job boards, and intermediaries. Every week, the vacancies were digitized and compiled into booklets, each containing roughly 600 listings, including low- and high-skilled jobs. The booklets were then delivered to PES offices.

To evaluate this program, out of the 113 PES centres in the city, each serving a district (woreda), we randomly assigned 57 to employ the improved program while the remaining 56 operated as usual.

FIGURE 1: Treatment and control PES centres in Addis Ababa



Note: The figure shows a map of Addis Ababa. Cross = treatment PES centres; circle = control PES centres.

We conducted an awareness campaign in treated districts to inform residents about the vacancy booklets. To measure impacts, we tracked a representative sample of jobseekers from all districts over time through a baseline survey and two endline surveys. Our sampling frame includes individuals over the age of 18 with at least 10 years of education who intend to seek wage employment.

Baseline findings

At baseline, prior to our intervention, lower-skilled women stand out as the least employed and the most lagging in job search. We define lower-skilled women (LSW) as women with fewer than 12 years of education.

- Among LSW, only 34 percent were engaged in paid employment, compared to 56 percent among the rest of the sample. Average income was around 1,100 ETB for LSW and 3,500 ETB for others.
- LSW spent 0.9 hours/week on job search, whereas the others spent 1.6 hours. Their search primarily focused on low-skilled jobs; only 6 percent targeted higher-skilled jobs, compared to 28 percent among others.
- LSW relied primarily on friends and family for job search. Only 7 percent used media or online channels, compared to 27 percent among other jobseekers.

Impacts of the improved PES

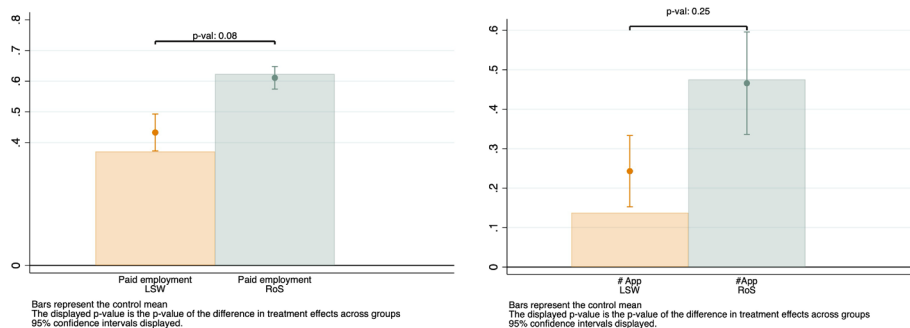
According to the endline data, about 62 percent of LSW and 72 percent of other jobseekers in treated districts were aware about the vacancy booklets.

However, **only 2 percent of jobseekers – and virtually no LSW – applied for a job advertised in the booklets.**

Despite the low direct take-up of the program, our findings suggest substantial labour market gains – specifically, *only* for LSW.

- The share of LSW who were employed in treated districts was 42.5 percent, 15 percent greater than that for LSW in control districts (37.1 percent).
- Average monthly income for LSW in treated districts (1,587 ETB) was 22 percent higher than that for LSW in control district (1,299 ETB).
- LSW in treated districts on average made 50 percent more applications than those in control districts and received 33 percent more job offers.
- Crucially, the program had no measurable effect on these labour market outcomes for the rest of the sample.

FIGURE 2: Program impact on paid employment and job applications



Note: LSW = lower-skilled women; RoS = rest of the sample. Bars represent the mean for jobseekers in control districts whereas dots represent the same for treated districts.

These large treatment effects, despite low direct take-up, suggest that the introduction of vacancy booklets affected LSW through indirect channels.

Our evidence suggests that **the high-quality, credible information from vacancy booklets was transmitted through existing social channels and impacted LSW's aspirations and job search.**

- LSW increased their job search intensity by 0.5 hours per week, targeted higher-skilled positions, and raised their expected wage by 17 percent.

- They continued to find jobs primarily through friends and family – the same channels they relied on before.
- We find that **the intervention's effects appear to be driven not by a woman's own awareness of PES, but by the awareness of people living near her**. When neighbours' awareness of the improved PES services is held fixed, the treatment effects on LSW's labour market outcomes largely disappear.

Policy implications

While PES are well-studied in high-income countries (Behaghel, Crépon, and Gurgand, 2014), rigorous evidence in LICs, where institutions differ markedly, is scarce. This study helps fill that gap.

- PES may underperform in LICs due to weak government capacity, particularly lack of timely and reliable information on job vacancies. **Improving information provision can substantially increase the effectiveness of PES.**
- Existing community networks played a central role in transmitting information and driving our treatment effects, which made this program substantially more cost-effective than typical active labour market policies. **Leveraging existing channels can bring valuable low-cost improvements to PES, without overhauling the entire framework.**
- Finally, **labour market policies may be most effective when they help jobseekers update their understanding of job opportunities, rather than directly placing individuals into jobs.**

Note: The findings reported in this brief are preliminary and subject to change as analysis is ongoing.

References

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