ICTs and Labor Market Intermediation
The Souktel Case – Palestine

World Bank – MENA Community of Practice on Employment and Social Safety Nets
Presented by Jacob Korenblum, 11 December 2013
Souktel
A Market Leader in Mobile Employment and Employability Solutions

The Company
- Launched in Palestine in 2006 by graduates of Harvard and MIT
- Headquartered in Ramallah
- Additional staff in Amman, Washington DC, and Toronto

- **Mission** is to reduce poverty and stimulate economic growth, by developing and delivering mobile phone services that give low-income communities the information they need to improve their lives.

- **Vision** is a developing world where job-seekers can find work easily and quickly, through better phone-based access to labor market information. A developing world where families in need can boost their standard of living, thanks to better information about aid and social services.

Where We Work
- MENA: Morocco, Tunisia, Libya, Egypt, Jordan, Palestine, Iraq, Lebanon, Yemen, KSA, UAE
- 10+ additional African and Asian markets
Souktel
A Market Leader in Mobile HR Management Solutions

Key capabilities
• Design/delivery of integrated mobile employability solutions via SMS, mobile audio and mobile web
• Creation of cross-platform services -- accessible via basic mobile phone, smart phone, tablet or PC
• Technical integration with mobile networks, to ensure seamless service roll-out
• Strategic advising and training of employers/recruitment firms on technology use

Main services:
• JobMatch platforms (e.g. Baladna in Palestine)
• Streamlined candidate recruitment and workforce management (with Bayt.com, Deloitte, E&Y, PwC)
• Labor market polling/market research (with Al Jazeera International, BBC World Service)
• Mobile education and training for new employees (with EFE/Méditel)
The Souktel Technology
Mobile Solutions Based on SMS, Mobile Audio and Mobile Web

- One-way SMS/voice alerts
- Two-way SMS surveys and polls
- Integration with user databases
- Alternative web and mobile web access
- Mobile network connectivity via short codes
Some of our Partners
Employers, Media Outlets, and Development Institutions

[Logos of various partners]
### Implementation of JobMatch Platforms

<table>
<thead>
<tr>
<th>Country</th>
<th>User Profile</th>
<th>Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>Low-income youth</td>
<td>5,000+</td>
</tr>
<tr>
<td>Egypt</td>
<td>Low-income youth</td>
<td>2,000+</td>
</tr>
<tr>
<td>Egypt</td>
<td>Low-income youth</td>
<td>5,000+</td>
</tr>
<tr>
<td>Haiti</td>
<td>Low-income business owners</td>
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<tr>
<td>Iraq</td>
<td>Low-income youth</td>
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<tr>
<td>Jordan</td>
<td>Low-income youth</td>
<td>2,000+</td>
</tr>
<tr>
<td>Morocco</td>
<td>Low-income youth</td>
<td>5,000+</td>
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<tr>
<td>Malawi/Uganda</td>
<td>Low-income youth</td>
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<tr>
<td>Morocco</td>
<td>Low-income youth</td>
<td>1,000+</td>
</tr>
<tr>
<td>Palestine</td>
<td>Fresh university graduates</td>
<td>10,000+</td>
</tr>
<tr>
<td>Rwanda</td>
<td>Low-income youth</td>
<td>5,000+</td>
</tr>
</tbody>
</table>
Palestine
Key Characteristics

- Area: ca. 12,500 km² (Abu Dhabi: 67,340 km²)
- Population: 4.3 million (2012; West Bank and Gaza)
- 53% of population in rural settings
- Gaza: 6,593 inhabitants per square km
- 56% of population with no wastewater treatment
- Population below poverty line: 20%
- GDP p/c: $1,380 (1995); $1,258 (2005); $2,900 (2009)
- GDP by sector:
  - services (81%),
  - industry (12.5%)
  - agriculture (6.2%)
Palestine
Education System at a Glance

• High literacy rate: 93.5%

• High transition rate from primary to secondary system: 90%

• High secondary completion rate: 80%

• Low repetition, drop-out rates: 1.5%, 1.0%

• 2,704 schools, 11 universities, 19 community colleges

• Tertiary gross enrolment ratio for 18 – 24 yr. olds: 40%

• Females comprise more than 50% of all university students

• Only 1 university with career counselling services
Palestine
Labor Market at a Glance

- Official unemployment rate: 20% (2011)
- Youth unemployment rate (20-24 yrs): 33%
- Female unemployment rate: 40%
- Average net daily wage: $22 (2011)
- LFPR: 43.3% of working-age population (15 yrs+); only 16% of LF is female
- Employment by sector:
  - public sector (23%)
  - private sector (65%)
  - Israel/Settlements (12%)
Palestine
Exogenous Barriers to Labor Market Efficiency

- 500+ military checkpoints
- Mobility restrictions: permit system
- Territorial fragmentation
- University and school closures
- Import/export restrictions
- Imposed autarky/labor force realignments
- Poor communication networks/infrastructure
- Bureaucracy/tariff revenue withholding
Palestine
Endogenous Barriers to Labor Market Efficiency

- Poor physical infrastructure; poor transport networks
- Unregulated, disorganized labor market; large informal sector
- Low web access among most job-seekers (and many employers)
- No job preparation services at schools/colleges
- Few good private sector job information options:
  - Walk-in recruitment firms (costly)
  - Classified ads (no entry-level jobs)

Result → Disconnect between labor supply and demand!!
In almost all emerging markets, more people use cell phones than the web!

Cell phones are the fastest-growing communications tool in emerging markets!
SOUKTEL
Labor Market Intermediation using Mobile Technology

www.souktel.ps
Baladna JobMatch
Linking job-seekers with employers via mobile phones

What is Baladna?
• A job information software platform
• Created by in-house, Palestinian software engineers
• Links job-seekers with employers via mobile phones and web
• Currently serving 15,000+ Palestinian job-seekers and 200 employers daily

Benefits
• Free to job seekers
• Highly scalable
• Real-time information
• Accessible via SMS on any type of mobile phone

Impact
• 84% of job-seekers report a reduction in job-search time from 12 weeks to less than 1 week
• 64% report higher monthly incomes as a result of jobs sourced through the service
Baladna JobMatch
Information Flow

**JOB SEEKERS**
(1) subscribes to job information service by sending an SMS (e.g. “register job info”) to a short code
(2) creates mini-CV by answering a number questions via SMS: Name, Address, Birth date, Education, Job Type

**SOUKTEL SYSTEM**
(1) sends automated SMS confirmation that includes access data for online portal
(2) matches vacancy information with job seeker profiles
(3) sends job information by SMS to the job seeker whose profiles match the job requirements: e.g. “Pharmacist required – more information under www.abc123.com”

**EMPLOYER**
enters job information via online portal

**JOB SEEKER**
receives job posting alert via SMS on his mobile phone – no additional fees

**JOB SEEKER (EXTRA SERVICE)**
requests to receive a list of currently available job vacancies by sending an SMS (e.g. match me”) to a short code – premium SMS fees occur
Job Match
find the perfect match. on your mobile phone.

Job Seekers

1. Sign up
   Right from your mobile phone, by texting "register" to 37191.

2. Create Mini-CV
   Use your phone to create an SMS "mini-CV" and upload it to our main database, so hundreds of employers can find you.

3. Browse Jobs
   Browse thousands of jobs via SMS on your phone, or find the exact job that matches your CV info. Get employer phone numbers for follow-up.

Employers

1. Register
   Using your mobile phone or secure website.

2. Create Mini-Job Ad
   Create a simple Job Ad on your phone or online. Upload to the main Souktel database, so thousands of job-seekers can find it and call you.

3. Browse CVs
   Browse thousands of CVs by phone or web, or find the exact CV that matches the criteria of your job. Get job-seeker details, along with phone numbers for follow-up.
Baladna JobMatch
Job-Seeker Registration via SMS (free of charge)

Step 1: Sign Up
Type 'Register' and send by SMS to Souktel's sign-up phone number. Get added to the Souktel job database and start creating your mini-CV.

Welcome to JobMatch.
You are now registered.
Text 'ok' to start uploading your mini-CV.

Step 2: Create a Mini-CV
Through a series of question-and-answer messages, create a mini-CV that includes data on your age, location, skills, education level, and career interests.

Mini-CV
- Young Man seeks
- Farm job
- in Jenin.
- Has High School Ed.
- Can work full time, all wkdays.
- Skills in milking machine operation.
- Call 0599245789 to hire me.
Get weekly news about jobs, internships, scholarships, and volunteer positions, right on your mobile!

Baladna Project

Our Mission is to reduce poverty and stimulate economic growth, by developing and delivering mobile phone services that give low-income communities the information they need to improve their lives.

Our Vision is a developing world where job-seekers can find work easily and quickly, through better phone-based access to labour market information. A developing world where families in need can boost their standard of living, thanks to better information about aid and social services.

The Problem

Across the developing world, no good way for communities to get information about jobs and emergency aid. Low Internet access. Few government resources. Limited social networks.

The Potential

Mobile phone use is booming, especially in low-income countries: In Kenya, cell phone ownership has risen by 160% in the past two years. In Palestine, 80% of youth own mobiles. In Bangladesh there are 30 mobile owners for each web user.

The Solution: Souktel

Souktel is a cell phone-based service that uses SMS and voice-menu technology to link young people with jobs and connect aid agencies with people who need help. Founded by Palestinian, Canadian and American graduate fellows at Harvard University and M.I.T., Souktel has been changing lives across the developing world since 2006.
Baladna JobMatch
Job-Seeker Registration via Web (in English and Arabic)

Personal Information

Fields marked with "*" are required

* Full Name

* Phone Number

* Email

* Location

* Year of birth

Gender

Male ☐ Female ☐

Testimonials

Issa Khalil (20, Student, Birzeit University, Accounting): It's a great idea; easy, comfortable and well organized. Internet access is not a requirement thereby making the whole process a lot faster. We don't have to visit websites; we just check our mobile phones. I also loved the trainings on very fun and suitable topics. I benefited greatly from these trainings.

Riham Naser (21, Student, Birzeit University, Accounting): This service saves the time and energy that people ordinarily waste while looking for jobs and trainings in the market. Not only does it let us know about the available opportunities out there, but Souktel also holds very useful trainings, which help enrich and develop our knowledge and personalities. It's very easy and fun to use.

Hajd Shuqir (22, Student, Birzeit University, Business): The service opens employment doors for many youth. You don't have to use the Internet to get the latest information about what's available in the job market. The trainings Souktel holds offer experience, and the topics they choose are important and prepare students for working in the real world. I particularly love the organizing process and Souktel's interaction with the participants, which is achieved in a short period of time.

Omar Barghouti (21, employed at Gallery AsSalam, Ramallah): As Palestinians, this is exactly what we need. This is an outstanding service, which greatly benefits people—it's really the first time I find myself so interested in such an idea.
Post a New Job

* Position Title

* Major

You can select more than one item

* Nature of Work

* Location of Work

* Application Deadline

* Preferred way to receive CV’s

* Contact Details: insert e-mail/ phone number

Full Description/Link/Skills

Upload Attachment

Choose File: No file chosen

Advance optional fields ➤
Baladna JobMatch
Revenue Drivers

Job-Seekers

- $0.05 net per-SMS revenue from search/match processes
- “light” incoming premium SMS fees: Regular SMS is $0.05, Souktel SMS is $0.08
- Average job-seeker sends 10 messages to service per month

Employers

- $5.00 - $200.00 posting fee per job ad
- $0.03 - $0.06 net per-SMS revenue for outgoing “push” alerts sent to targeted groups of job seekers, to promote job ads
Baladna JobMatch
Impact

- 15,700+ job-seekers and 700+ employers registered
- 4,000+ job-seekers matched with work/training
- Approx. $10m in new income generated by newly employed service users
- 84% of surveyed job-seekers report a 92% reduction in time spent looking for work (from avg. 12 weeks to 1 week or less)
- 64% of matched job-seekers report a 50% increase in mean monthly wages, from avg. $500/month to avg. $750/month
- 70% of Palestine employers reported a 50% or greater reduction in hiring costs and time, relative to alternate hiring methods
Baladna JobMatch
Implementation Challenges

• Tension between new solutions and traditional approaches
• Sensitivity regarding data collection, technology use, and gender
• Logistical constraints: Restrictions on domestic/international labor mobility, hardware procurement
• Institutional bureaucracy (public and private sector)
• Ensuring content relevance and validity
Mobile Technology
Looking Ahead – Opportunities for the Future

- Developing countries: “blank slate markets” for new technologies – mobile sectors still nascent, rapid uptake of hardware/services

- Rapidly-improving mobile network infrastructure: new operators, greater coverage

- Increased competition among networks, leading to lower SMS prices for consumers

- Growing youth populations = growing talent pool, increasing rates of mobile penetration

- Increasing “tech savvy” among employers: Use of social media, QR codes, SMS marketing

- Opportunity to partner with the public sector on employment initiatives
Mobile Employability Solutions
Creating Partnerships with the Public Sector

Partnerships around:

- Job matching
- Skills training
- Mentoring
- General information services
- Others
Souktel Mobile Innovations    Jordan    Palestine    USA

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Baladna JobMatch
Information Flow

Job Seeker sends SMS “BALAD” or " السودان " to short code (XXXX)

Job Seeker uploads mini-CV via 5 SMS questions: Name, Address, Birth date, Education, Job Type

Job Seeker receives automated SMS confirmation (that includes online access data)

Job Seekers signs up and creates profile on www.souktel.ps

Job Seeker receives automated SMS and e-mail confirmation (that includes online access data)

Job Seeker has possibility to be sent a list of relevant jobs from the database by sending SMS "MATCH ME" to short code (XXXX)

BALADNA DATABASE

System matches vacancy information with job seeker profiles

System sends SMS vacancy alerts to identified job seekers asking them to answer a string of questions by SMS designed to confirm suitability

IF job seeker suitability is confirmed — System sends SMS to job seeker with vacancy contact information

IF job seeker suitability is not sufficient — System sends SMS to job seeker with respective notification

Employer registers on souktel.ps and Employer enters vacancy information on www.souktel.ps

Employer receives automated SMS response that includes online access data