

EGYPT

The ILO Work4Youth project worked with the Central Agency for Public Mobilization and Statistics (CAPMAS) of Egypt to implement two rounds of the School-to-work transition survey (SWTS) in 2012 (November–December) and 2014 (November–December). The results of the first survey were published in G. Barsoum, M. Ramadan, and M. Mostafa (2014): *Labour market transitions of young women and men in Egypt*, Work4Youth Publication Series No. 16 (Geneva, ILO) (also available in Arabic) and results are also highlighted in the regional synthesis report, R. Dimova, S. Elder and K. Stephan (2016): *Labour market transitions of young women and men in the Middle East and North Africa*, Work4Youth Publication Series No. 44 (Geneva, ILO). The objective of this country note is to offer a general summary of youth labour market trends in Egypt based on the SWTS. Youth is defined as 15–29.

Main findings of the ILO SWTS

Human capital and mismatch

- Nearly all surveyed youth in Egypt had attended school or a training programme at some point in their lives (only 6.3 per cent of youth had never attended any school as of 2014, with more young women than men falling into this category). Less than half of the youth population in that year had completed school (39.3 per cent) while 37.2 per cent of youth was still attending and close to one-fifth of youth (17.3 per cent) had dropped out of school before completion.
- SWTS results did not show any significant correlation between the levels of education and a young person's labour market transition: on average, a young person with university education was able to complete the transition from school to a first stable/satisfactory job in 12.4 months, as compared to 9.5 months for youth with secondary education and 11.4 months for youth with primary education.
- In spite of the high drop-out rate, many youth in Egypt are able to stay in school to the secondary level or beyond. However, just below one-half (46 per cent) of employed youth were classified as adequately educated for the job they were doing in 2014. An almost equal number were undereducated for their jobs (42.1 per cent), while about one in eight were deemed overeducated (12.0 per cent).
- More than two-thirds (72 per cent) of current students in Egypt showed a preference for future work in the government/public sector. While the attraction of public sector employment is understandable given concerns with job security, the ability of the sector to absorb a significant number of young workers is limited.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market.

See the website www.ilo.org/w4y for more information.

Underutilization of the youth labour potential remains a top concern

- The youth labour underutilization rate in Egypt was high at 53.7 per cent in 2014. The share of underutilized labour potential consists of 19.5 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract of less than 12 months), 11.1 per cent unemployed and 23.1 per cent inactive non-students.
- The youth unemployment rate (strict definition)¹ increased between 2012 and 2014 (15.7 to 19.9 per cent), but still remained below the regional average for Northern Africa of 29.4 per cent for the latter year.² The unemployment rate of young women was four times higher than that of young men (46.9 per cent compared to 11.4 per cent for males in 2014).
- The unemployment rate of youth increases with the level of educational attainment. The unemployment rate of a young university graduate was almost five times higher than that of a young person with secondary general education at 38.4 per cent against 7.8 per cent in 2014; it was significantly higher than that of young persons with secondary vocational or post-secondary vocational training, with unemployment rates of 22.0 and 25.4 per cent, respectively.
- The duration of unemployment is often very long. Two-thirds (65.5 per cent) of unemployed youth had been looking for work for longer than one year in 2014 (down from 72 per cent in 2012).
- The share of youth neither in employment nor in education or training (NEETs) in Egypt increased between 2012 and 2014 from 29 to 33.9 per cent. The share among young women was more than three times that of young men in 2014 at 54.5 and 14.8 per cent, respectively, and is explained primarily by the obligation of many young women to remain outside of the labour force to tend to family responsibilities.

Low employment rates among youth, especially young women, remain a strong hindrance to the country's productive transformation

- Fewer than one in three (31.3 per cent) young people in Egypt were employed in 2014, a significant decrease from 45.6 per cent in 2012. Young men were almost five times more likely to work than young women (employment ratios in 2014 were 50.6 and 10.4 per cent, respectively); the majority of young women (80.4 per cent in 2014) remained inactive.
- Three-quarters (77 per cent) of young workers are in paid employment, but a small share still remained in vulnerable employment as own-account workers (5.7 per cent) or unpaid family workers (13.3 per cent). At the same time, three-quarters (78.8 per cent) of youth in paid employment were engaged without a written contract.
- The services sector absorbed the largest portion of Egypt's young workers (39 per cent of young male workers and 62.4 per cent of young female workers), followed by industry (39.2 and 14.5 per cent, respectively) and agriculture (21.8 and 23.1 per cent, respectively).
- Informal employment affects the majority of young workers in Egypt; the informal employment rate dropped slightly between the two years from 91.1 to 87.3 per cent, respectively.

¹ The "strict" definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The "broad" definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

² ILO, *World Employment and Social Outlook: Trends for Youth 2016* (Geneva). Note, the regional figure covers youth aged 15–24 while the data on the SWTS refer to youth aged 15–29. The youth unemployment rate in Egypt for the age range 15–24 was 20 per cent in 2014 based on the SWTS.

Selection of data tables

Table 1. Youth population by educational status, 2012 and 2014 (%)

Educational status	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Never attended school	5.8	6.3	3.9	3.9	7.8	8.8
Dropped out before graduation or completion of school	23.0	17.3	26.2	18.3	19.7	16.2
Currently attending school	28.9	37.2	25.5	38.6	32.6	35.7
Education completed	42.2	39.3	44.4	39.2	39.9	39.4
Total	100	100	100	100	100	100

Table 2. Key youth labour market indicators – traditional distribution, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Employed	45.6	31.3	70.6	50.6	19.4	10.4
Unemployed (strict definition)	8.5	7.8	5.2	6.5	11.9	9.2
Inactive	45.9	61.0	24.2	42.9	68.7	80.4
Total	100	100	100	100	100	100
Youth labour force participation rate	54.1	39.0	75.8	57.1	31.3	19.6
Youth unemployment rate (strict definition)	15.7	19.9	6.8	11.4	38.1	46.9

Table 3. Key youth labour market indicators – alternative distribution, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
In regular employment	n.a.	11.7	n.a.	18.5	n.a.	4.4
In irregular employment	n.a.	19.5	n.a.	32.0	n.a.	6.0
Unemployed (broad definition)	13.5	11.1	6.8	7.8	20.5	14.6
Inactive students	24.6	34.5	19.2	34.2	30.3	34.9
Inactive non-students	16.3	23.1	3.4	7.4	29.8	40.1
Total	100	100	100	100	100	100
Youth labour force participation rate (broad definition)	59.1	42.3	77.4	58.4	39.9	25.0
Youth unemployment rate (broad definition)	13.5	11.1	6.8	7.8	20.5	14.6
Youth labour underutilization rate	n.a.	53.7	n.a.	47.3	n.a.	60.7

Note: The questionnaire in 2012 does not allow for distinction between regular and irregular employment (missing information on contract type and duration).

Table 4. Distribution of NEET youth by composition, 2012 and 2014 (%)

Sex	2012			2014		
	NEET rate	of which:		NEET rate	of which:	
		Inactive non-students	Unemployed non-students		Inactive non-students	Unemployed non-students
Total	29.0	20.8	8.1	33.9	26.2	7.7
Male	9.3	4.6	4.8	14.8	8.4	6.4
Female	49.5	37.9	11.7	54.5	45.3	9.1

Table 5. Employed youth by status in employment, 2012 and 2014 (%)

Status in employment	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Wage and salaried workers (employees)	73.9	77.0	75.6	77.7	67.7	73.6
Employers	2.6	3.5	2.9	4.0	1.2	0.7
Own-account workers	6.3	5.7	7.4	6.0	2.1	3.8
Contributing (unpaid) family workers	17.2	13.3	14.2	11.9	28.9	21.0
Total	100	100	100	100	100	100

Table 6. Distribution of youth employment by sector at the 1-digit level, 2012 and 2014 (%)

Sector	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Agriculture	23.0	22.0	20.9	21.8	31.1	23.1
Industry	32.3	35.3	37.1	39.2	13.9	14.5
Services	44.7	42.7	42.1	39.0	55.0	62.4
Agriculture, forestry and fishing	23.0	22.0	20.9	21.8	31.1	23.1
Mining	0.2	0.1	0.3	0.1	0.0	0.0
Manufacturing	16.3	16.0	17.2	16.6	12.9	13.0
Electricity, gas, steam	0.4	0.8	0.4	0.9	0.3	0.0
Water supply	0.4	1.3	0.4	1.4	0.3	0.6
Construction	14.9	17.0	18.7	20.1	0.5	1.0
Wholesale and retail trade	17.4	14.0	17.1	13.5	18.4	16.3
Transport	7.6	7.6	9.4	8.9	1.1	0.5
Accommodation	4.2	4.9	5.1	5.8	0.7	0.4
Information and communications	1.0	1.0	0.9	0.8	1.3	2.3
Financial activities	0.2	0.2	0.2	0.2	0.0	0.0
Professional scientific activities	1.2	2.2	0.9	2.0	2.4	3.4
Administrative and support activities	0.5	1.0	0.6	1.1	0.0	0.3
Public administration	2.1	1.6	1.7	1.7	3.7	0.9
Education	4.6	4.0	2.0	1.1	14.6	18.9
Health and social work	3.3	3.1	1.3	0.7	10.7	15.5
Arts and entertainment	0.5	0.6	0.5	0.7	0.2	0.0
Other services	1.9	1.9	2.3	2.1	0.4	0.7
Private households	0.4	0.7	0.1	0.3	1.5	2.9

Table 7. Young wage and salaried workers by type of contract, 2012 and 2014 (%)

Type of contract	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Written agreement	24.3	21.2	19.1	17.7	46.5	40.6
Oral agreement	75.7	78.8	80.9	82.3	53.5	60.4
Unlimited duration	n.a.	84.8	n.a.	85.3	n.a.	82.6
Limited duration	n.a.	15.2	n.a.	14.7	n.a.	17.4
<i>Of which:</i>						
– Less than 12 months	n.a.	34.9	n.a.	33.7	n.a.	39.3
– 12 months to less than 36 months	n.a.	53.1	n.a.	52.4	n.a.	55.6
– 36 months or more	n.a.	12.0	n.a.	14.0	n.a.	5.2
Total	100	100	100	100	100	101

Note: Comparable information on contract duration is not available in 2012.

Table 8. Youth informal employment by composition, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Youth formal employment rate	8.9	12.7	7.9	10.9	12.3	22.2
Youth informal employment rate	91.1	87.3	92.1	89.1	87.7	77.8
<i>Of which:</i>						
– Informal employment outside the informal sector (share in informal employment)	63.5	50.9	61.7	50.0	70.5	56.7
– Employment in the informal sector (share in informal employment)	36.5	49.1	38.3	50.0	29.5	43.3
Total	100	100	100	100	100	100

Table 9. Employed youth by overeducation, undereducation or matching qualifications, 2012 and 2014 (%)

Qualifications match	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Undereducated	40.7	42.1	41.8	42.2	36.5	41.5
Overeducated	9.1	12.0	9.1	12.1	9.3	11.2
Matching qualifications	50.2	46.0	49.1	45.7	54.2	47.3
Total	100	100	100	100	100	100

Table 10. Youth unemployment rates by level of completed educational attainment, 2012 and 2014 (%)

Educational attainment	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Less than primary (including no schooling)	2.4	6.2	1.4	5.2	5.9	9.8
Primary	4.5	11.4	1.8	8.4	17.1	30.0
Secondary vocational	15.8	22.0	4.6	12.7	46.3	59.1
Secondary general	20.1	7.8	6.9	8.0	76.0	-
Post-secondary vocational	27.2	25.4	11.2	16.1	56.0	49.3
University and postgraduate studies	34.0	38.4	23.0	21.9	46.9	57.8

Table 11. Unemployed youth by duration of job search, 2012 and 2014 (%)

Duration of job search	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Less than a week	1.1	3.3	0.5	2.7	1.4	3.8
1 week to less than 1 month	3.7	2.9	6.7	4.7	2.4	1.5
1 month to less than 3 months	3.0	6.0	5.6	9.9	1.9	2.9
3 months to less than 6 months	9.4	13.7	14.2	14.8	7.3	12.9
6 months to less than 1 year	10.6	8.6	18.0	12.0	7.3	6.1
More than a year	72.0	65.5	55.1	55.9	79.8	72.8
Total	100	100	100	100	100	100

Table 12. Youth population by stages and subcategories of transition, 2012 and 2014 (%)

Stage of transition	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Total transitioned	27.6	19.6	40.9	30.8	13.8	7.5
Transitioned to stable employment	17.5	12.9	26.6	20.4	8.1	4.8
Transitioned to satisfactory temporary employment	4.2	3.3	6.5	5.6	1.9	1.0
Transitioned to satisfactory self-employment	5.8	3.3	7.9	4.8	3.8	1.7
In transition	35.8	30.8	38.9	34.1	32.7	27.2
Unemployed (broad definition)	12.8	10.7	6.0	7.3	19.8	14.4
In non-satisfactory temporary employment	9.4	6.3	16.2	10.7	2.4	1.6
In non-satisfactory self-employment	4.6	3.0	7.4	5.1	1.6	0.8
Active students	4.4	2.6	6.4	4.5	2.2	0.7
Inactive non-students with aim to work in the future	4.7	8.1	2.8	6.5	6.7	9.7
Transition not yet started	36.6	49.6	20.2	35.1	53.5	65.3
Inactive students	24.9	34.5	19.5	34.2	30.4	34.9
Inactive non-students with no plans to work in the future	11.7	15.1	0.6	0.9	23.1	30.3
Total	100	100	100	100	100	100

Note: Unless otherwise specified, the categories exclude current students.