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# **Employment Policy Papers**

## **School-to-work transition: Evidence from Egypt**

**El Zanaty and Associates**

**Employment Policy Department**

**2007/2**

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## Preface

Youth is a crucial time of life when young people start realizing their aspirations, assuming their economic independence and finding their place in society. The transitions to adulthood and to the world of work often take place simultaneously, and this is a difficult time for many young people. However, if this transition can be made easier by effective assistance in making a good start in the world of work, it will positively affect young people's professional and personal success in the future stages of life.

There is however no one path to labour market participation and adulthood and the task of prescribing paths, with all the milestones, from region to region or country to country is a context specific goal. The challenge is to identify on a country-by-country basis the particularities of the school-to-work transition of young people so that policy-makers are better informed about where the inefficiencies that prevent a smooth transition to decent employment remain and design youth employment policies and programmes accordingly.

In the framework of the ILO's global strategy on employment, the Global Employment Agenda (GEA) and the Youth Employment Programme, the ILO has designed a school-to-work transition survey and assists countries in its implementation and interpretation with the aim of encouraging empirical-based policy-making.

In 2005, the ILO contracted El-Zanaty & Associates to run the survey in Egypt and present the results in an analytical report. The results of this collaboration are encompassed in this publication. The results of the survey confirm that Egyptian young people face significant challenges in finding decent employment after leaving school. The analysis of the collected data revealed that only 39 per cent of respondents who were economically active (meaning either working or seeking work) or 17 per cent of total respondents had attained employment that they were more or less satisfied with (more information on definitions of transition stages are provided below). The remaining 61 per cent of economically active youth – more than one-quarter of total respondents (26 per cent) – were still in a period of labour market transition, meaning they had not yet reached their desired goal for decent employment.

Shortcomings are revealed in both the capacity of the Egyptian economy to create sufficient demand for young labour and in the capacity of the Egyptian education and training system to produce labour market entrants that meet the requirements of employers. It is our goal that such findings, with their more specific underlying factors as identified in this report, will feed the national tripartite dialogue in Egypt encompassed in the commitment to design and implement a National Action Plan for Youth Employment. Currently the ILO is cooperating with the Government of Egypt in the design and implementation of a national employment programme.

Azita Berar-Awad,  
Director,  
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## Acknowledgment

In collaboration with the ILO Sub-regional Office in Cairo, the ILO Employment Policies Department commissioned the SWTS and final report in Egypt. The survey, using generic instruments developed by the ILO and adapted to the Egypt context, was conducted by El-Zanaty & Associates during the course of 2005/2006. This report is authored by El-Zanaty & Associates with the exception of the policy recommendations which were written by Sriani Ameratunga and Sara Elder, ILO Employment Policies Department and Youth Employment Programme, respectively. The framework for analysis of the data and definition of stages of transition was designed within the ILO Youth Employment Programme.

This important survey could not have been implemented without the active support and dedicated efforts of a large number of institutions and individuals. The support and approval of the Ministry of Manpower and Migration was instrumental in securing the implementation of the Survey. Funding for the survey was provided mainly by ILO/Cairo with a contribution from the United Nations Population Fund (UNFPA). Without their generous contributions, the study would have been impossible.

We also gratefully acknowledge Ibrahim Awad, Director, Migrant ILO, for all his efforts throughout the survey and during the preparation of this report. We also thank Loretta Deluca, Director of Sub-regional Office for North Africa, ILO, Cairo, and Ms. Nagwa Ismail, Senior Program Assistant, ILO/Cairo, for their support to facilitate and ensure the successful implementation of the survey.

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# 1. Introduction and methodology

## 1.1 Introduction

The failure to find decent employment after leaving school tends to have lasting effects on occupational patterns and incomes over the life course of an individual. Facilitating an improved school-to-work transition may overcome the common difficulties that youth, and particularly young women face, in terms of limited access to reliable labour market information, advice or support. However, this is a daunting task, as 500 million people will enter the workforce within the next decade. Recent studies have shown that the whole region of the Middle East and North Africa is challenged with an unprecedented and increasing need for employment, estimated to be 100 million additional jobs by 2020.<sup>1</sup> The countries of the region, including Egypt, are obliged to at least double their volume of employment in order to absorb the increasingly growing number of job seekers. The average annual labour force growth rate in the region between 1995 and 2005 was around 3.5 per cent. The unemployment rate in the region in 2005 was around 13 per cent.<sup>2</sup>

As half of the young people find themselves out of work, youth unemployment makes up a considerable share of total unemployment in the region, ranging from 36 per cent in Morocco to 78 per cent in Syria.<sup>3</sup> The problem is much worse in Egypt. In 1998 almost 94 per cent of the unemployed were new entrants to the Egyptian labour market; among them 90 per cent belonged to the 15-29 age group. The situation of young women is even much worse; in 1998, more than half of the unemployed new entrants to the labour market were women, meanwhile the share of women in the labour force was only 21 per cent.<sup>4</sup>

To address this major challenge, the ILO plays a leading role in the UN Secretary-General's Youth Employment Network (YEN), created in the framework of the Millennium Declaration where Heads of State and Government resolved to “develop and implement strategies that give young people everywhere a real chance to find decent job and productive work”. The network is a partnership between the UN, the World Bank and the ILO to bring together leaders in industry, youth and civil society representatives, and policy makers to explore imaginative approaches to the challenge of youth unemployment.

One of the most important challenges facing policy and decision makers in Egypt today is that of increasing decent work opportunities for young men and women. It is not a surprise that the Egyptian government has made this challenge one of the strategic priorities of its reform plan and has volunteered as a “YEN lead country” thus making the commitment to develop a National Action Plan (NAP) for youth which will recognize youth as a national asset and a key part of addressing poverty alleviation, sustainable development and lasting peace. The emphasis on youth is particularly important because youth in general are at risk and can be particularly susceptible to criminal and violent activity for a series of reasons ranging from lack of opportunity to political exclusion. In the medium term, a situation whereby large numbers of young people are unemployed and have few prospects for future decent work opportunities is one that breeds discontent, and these feelings of resentment can be easily exploited for political purposes.

An important step in Egypt's commitment toward designing and implementing a National Action Plan is understanding why youth unemployment continues to rise in the country by seeking information on the problems young women and men face in accessing education, training and in entering the labour force for the first time. To this extent the school-to-work transition survey (SWTS) was designed by the ILO to assist countries in improving the design of youth employment policies and programmes. This paper analyzing of results from the SWTS should serve as an important input to the design of appropriate youth employment policies and programmes as part of the NAP.

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<sup>1</sup> ILO Tripartite Meeting of Experts on Youth Employment in the Arab States, Background report, Amman (6-8 April 2004); <http://www.ilo.org/public/english/region/arpro/beirut/employment/youthemploy/background.htm>.

<sup>2</sup> ILO: “Global employment trends brief, January 2006 (Geneva, 2006); <http://www.ilo.org/public/english/employment/strat/download/getb06en.pdf>.

<sup>3</sup> ILO: *Key Indicators of the Labour Market, 4<sup>th</sup> Edition* (Geneva, 2005), CD-ROM, table 9.

<sup>4</sup> ILO Tripartite Meeting of Experts on Youth Employment in the Arab States, op. cit.

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## 1.2 Objectives

The focus in this study is on the youth transition from school to work for youth in the age group 15-29 years. The main objectives of this survey are to:

- Identify the main youth employment issues;
- Identify the factors that facilitate the transition from school to work;
- Identify the factors that make the transition difficult for young women, young men or both;
- Assess the level of empowerment among youth, and their perceptions and aspirations for work and life;
- Raise awareness and provide information for programme and policy development.

## 1.3 Methodology for the school-to-work transition survey

The survey targets five different groups of respondents, namely (a) in-school youth, (b) young job seekers (unemployed), (c) young employees, self-employed or own-account workers, (d) youth outside of the labour force, and (e) employers and managers who are hiring young workers. In order to fully capture the transitions of different targeted groups of youth in Egypt, this study addresses supply and demand factors through the application of two surveys – one designed to collect information on youth themselves (the suppliers of labour) and another to collect information from the employers of youth (demand for labour).

### 1.3.1 Questionnaires development

The instruments used in this study were two main questionnaires, one for individuals 15-29 year of age and one for employers and managers hiring young workers. These questionnaires were developed by ILO and adapted to the Egypt situation and translated into Arabic. There was also an additional household questionnaire for individuals 15-29 years of age. The household questionnaire was used to list all usual household members to identify the eligible respondents. For each individual included in the household schedule, information about relationship to the head of the household, age, sex, marital status, educational level, work status was collected.

A pre-test was carried out after three days training using two teams. A total of 100 youth questionnaires (50 males, and 50 females) were completed in addition to 15 employer questionnaires. A final version of the questionnaires was prepared based on the pre-test results.

### 1.3.2 Sample design and selection

#### *Youth sample*

A target sample of around 4,000 youth expected to be found in around 5,000 households was designed. Taking into consideration a 10 per cent non-response rate, a total of 5,520 households were selected. The sample was designed to provide estimates for the main regions (Urban Governorates, Lower Egypt, Upper Egypt) and different types of areas (urban/rural). Overall, the sample selected for this survey was national in scope covering 10 governorates selected randomly; eight of them represented the rural governorates, four from Lower Egypt and four from Upper Egypt, while two of them represented the Urban Governorates. The number of households to be selected from each governorate was determined in proportion to the population size of the governorate (self-weighted sample). Around 30 households were selected from each primary sampling unit (PSU).

In order to have wider coverage of the sample and to guarantee male/ female representation two segments – one male and one female – were selected and interviewed from each PSU.

Long experience of El-Zanaty & Associates with national surveys showed that the sample design and implementation was costly and time consuming. Accordingly, in order to reduce the cost and time of the survey and to guarantee an updated and good frame, the Interim Egypt Demographic and Health Survey 2003 sample units was used as a frame for the sample selection. This frame

guaranteed the existence of maps and good household listings which were used to select the sample of households. Table 1.1 shows the number of sample units selected from each governorate, as well as the number of completed households and individual questionnaires.

**Table 1.1 The governorates selected in the sample**

Governorate	Number of PSUs	Completed household questionnaires	Completed individual questionnaires
Cairo	43	1284	928
Port Said	3	87	45
Dakahleya	26	772	446
Kaliubeya	22	655	432
Gharbeya	22	621	318
Ismailia	4	114	66
Benisuef	13	387	276
Minia	22	655	452
Sohag	22	643	439
Aswan	7	205	108
<b>Sum</b>	184	5423	3510

Altogether 49 per cent of respondents were young males and 51 per cent young females. The age structure indicates a majority of respondents in the age group 15-19 years old (37 per cent) followed by the respondents in the age group 25-29 (32 per cent) and the respondents in the age group 20-24 (31 per cent). The distribution of the youth in the sample according to some background characteristics (such as age and sex) is shown in Table 1.2.

**Table 1.2 The distribution of sampled youth according to some background characteristics**

Characteristics	%
<b>Age</b>	
15-19	36.9
20-24	31.0
25-29	32.2
<b>Sex</b>	
Male	49.1
Female	50.9
<b>Employment status</b>	
In-school	30.3
Working	21.7
Unemployed/job-seeking	10.1
Self-employed/own-account/employer	3.5
Inactive	34.4

### *Employer sample*

The target sample of employers was 300 enterprises. The employer sample was divided into two samples, one of formal enterprises and the other of informal enterprises. The distinction between the formal and informal enterprises in Egypt usually depends on the compliance of the enterprise to certain rules that imply formality. These rules include the existence of a license, commercial or industrial registration, if required, and the maintenance of regular accounts. If these conditions were all satisfied the enterprise would be of formal nature, while if at least one of them was not satisfied the enterprise would be considered as informal. The formal enterprises were selected from the same governorates listed above in addition to Giza governorate and 10th of Ramadan City, which belong to Greater Cairo. To select the employers sample, a complete frame was needed. After reviewing the databases available in Egypt about enterprises, including Kompass, GOFI, and the Commercial Ahram Guidebook, a decision was made to use the latter as a frame of employers as it is the most recent and reliable source of economic activities conducted in Egypt. The enlisted enterprises were classified by type of industry in the different governorates to estimate the number of enterprises

needed to be selected from each governorate and each type. The number of enterprises selected from the guidebook was 171 and 167 interviews were completed.

The informal enterprises sample was chosen from lists of enterprises prepared by the data collection teams. Each team was assigned to list all the enterprises doing business in the same sample unit visited by the team, and then an enterprise was chosen randomly from the list. A total of 184 were selected from the informal economy. Table 1.3 shows the number of employers interviewed in each selected governorate.

The number of employer's interviews completed was 347.

**Table 1.3 The selected employers sample**

<b>Governorate</b>	<b>Enterprises selected by the survey team</b>	<b>Enterprises selected by the data collection teams</b>
Cairo	30	43
10 <sup>th</sup> of Ramadan (Sharkia)	30	-
Giza	30	-
Port Said	10	3
Dakahleya	16	26
Kaliubeya	31	22
Gharbeya	14	22
Ismailia	3	4
Benisuef	2	13
Minia	2	22
Sohag	2	22
Aswan	1	7
<b>Total</b>	<b>171</b>	<b>184</b>

### 1.3.3 Data collection

Prior to data collection a week-long training was held including both in-house and field practice. A total of 25 interviewers (males and females) and 5 supervisors attended the training sessions in addition to 8 researchers for employer interviews. The best 20 interviewers were selected at the end of the training. Five teams were assigned for data collection, with each team consisting of 4 interviewers (2 males and 2 females) and one supervisor. The supervisor was responsible for organizing the team work in addition to field editing of completed questionnaires to insure completeness and consistency. Field data collection was carried out between mid-September and mid-October 2005, while the tabulation and cleaning of data was conducted between October and December 2005.

Each team was responsible for around 1,100 households, and worked in one to three governorates. Thus, each interviewer was assigned around 260 households' questionnaires. The number of completed household questionnaires was 5,423 out of selected 5,522 households. The number of completed individual youth questionnaires was 3,510 (1,724 males and 1,786 females).

## 1.4 Organization of the report

The Egypt SWTS final report is organized in six chapters: Chapter 2 provides a general overview of the youth labour market within the socio-economic context of Egypt and provides main employment and unemployment trends. The third chapter focuses on the characteristics of youth in the sample survey, while chapter four shifts the attention to the determinants of transition from full-time education to full-time work. Chapter five moves the analysis to effective methods for creating jobs from the employer prospective. Chapter six concludes the analysis and provides some policy considerations that should help to feed the development of the National Action Plan for youth employment in Egypt.

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## 2. Overview of the labour market

This chapter gives a brief description of the socio-economic context and the characteristics of the labour market in Egypt. It also presents information on overall youth labour market trends in Egypt and reviews the policies and programmes used to address the youth employment challenges.

### 2.1 The socio-economic context

Egypt's economy grew rapidly during the period of oil crises in the 1970s. When the oil prices dropped after 1979, the Egyptian government applied several expansionary economic policies to maintain high levels of growth in the mid-1980s. Meanwhile, the foreign debt increased dramatically, reaching a peak in 1998. In the 1980s, the mounting debts led the Egyptian government to adopt and launch an economic reform programme. Egypt's reform programme was first formulated in May 1986 and applied in the beginning of the 1990s. The key actions in the reform were devaluation, liberalization of the economy, streamlining of the government by reducing the number of government employees, privatization of public industries, and a gradual elimination of subsidies on basic food and non-food items. This programme was supported mainly by the International Monetary Fund and the World Bank. The programme had extensive implications for growth and the future welfare of the population and labour force, especially young people.

Many agree that Egypt's reform programme was successful in achieving its economic objectives during the 1990s. For instance, the budget deficit was considerably reduced; it dropped from 15 per cent of GDP in 1991 to 4 per cent in 1992 and reached less than 1 per cent in 1997. Also inflation dropped from 21 per cent in 1991 to 6 per cent in 1997 (MOFTI, 1998). More recently, however, Egypt's economy has suffered from a downturn in foreign tourism – the largest source of foreign currency – resulting from post-September 11, 2001 fears about terrorism. Fortunately, tourism in Egypt recovered quickly and the country experienced record tourism levels, despite the 9/11 attack and the Taba and Nuweiba bombings, in September 2004.

In 2004 the government adopted and implemented several measures to boost foreign direct investment. In September 2004 Egypt promoted custom reforms, proposed income and corporate tax reforms, reduced energy subsidies, and privatized several enterprises. The budget (fiscal) deficit rose to 8 per cent of GDP in 2004 compared to 6 per cent of GDP in the previous year, due partly to these reforms. Monetary pressures on an overvalued Egyptian pound led the government to float the currency in January 2003, leading to a dramatic drop in its value and creating inflationary pressure. Table 2.1 shows some key economic indicators calculated for the period from 2000 to 2005.

Some economists believe that the Egyptian reform programme has created serious social implications, especially in terms of employment opportunities and poverty. Estimates of unemployment and poverty in Egypt have shown increasing trends since the late 1980s. While some ascribe unemployment and other social problems to the reforms, it is not evident whether the situation would have been different had Egypt not adopted these reforms. Advocates of the Egyptian reform programme believe that Egypt's adoption of the programme saved the Egyptian economy from a serious economic crisis. Economic growth is necessary, but, in fact, it is not sufficient for the success of reforms. The structure of the labour market and the mobility and flexibility of labour market entry are also critical in determining the success of economic reforms.

**Table 2.1 Key economic indicators**

Year	2000/01	2001/02	2002/03	2003/04	2004/05
Nominal GDP (LE bn)	359	379	415	455	514
Real GDP per capita (LE)	4,951	5,797	5,809	5,943	6,805
Real GDP growth rate (%)	3.45	3.25	3.2	4.4	5.0
Inflation rate (%)	2.4	2.4	3.2	4.9	8.0
Fiscal deficit (% GDP)	5.6	5.9	6.1	6.07	8.0
Current account (% GDP)	(0.04)	0.7	2.4	5.1	5.0
Foreign debt (% GDP)	28.5	32.8	35.6	39.2	35.5
Liquidity growth rate (%)	11.6	15.4	16.9	13.2	13.0
Net international reserves (US\$ bn)	14.2	14.1	14.8	14.8	14.4
Reserves in months of imports (months)	10.4	11.6	12.0	10.0	10.0
Exchange rate (LE/\$)	3.850	4.510	6.032	6.226	6.300
Interest rate on treasury bills (3 months)	9.0	7.2	10.3	11.2	12

Sources: MOFTI, *Monthly Economic Digest* (October, 2004) and Central Bank of Egypt, *Monthly Economic Statistical Bulletin* (October 2004).

## 2.2 The labour market in Egypt

Egypt is the most populous country in the Arab world and the second-most populous on the African continent. Most of the country's 78 million people live in Cairo and Alexandria, elsewhere on the banks of the Nile, in the Nile delta and along the Suez Canal. Small communities spread throughout the desert regions of Egypt are clustered around oasis and historic trade and transportation routes. The proportion of the population living in rural areas has continued to decrease as people move to the cities to search for employment and better living standards.

Generally speaking, the Egyptians are mostly homogeneous people. Ethnic minorities remain in small enclaves – a small number of Bedouin Arab in the Sinai and eastern and western deserts and some Nubians clustered along the Nile in Upper (southern) Egypt. The total area of Egypt is about 1 million square kilometres, and about 6 per cent of the total area is cultivated. The remainder of the land is mostly uninhabitable desert. Even if population growth is reduced in the near future, as planned, to 2 per cent per year, Egyptians will number about 85 million by the year 2016. Thus, the Egyptian government aims to resettle 25 million people to currently uninhabitable areas by the year 2016.

Table 2.2 presents some important characteristics of the labour market in Egypt according to the most recent statistical study available.<sup>5</sup> As shown in this table, the literacy rate is about 61 per cent of the adult population (70 per cent for males and 50 per cent for females). Education is free up to university and compulsory from ages six through 15. Rates for primary and secondary education have risen sharply in recent years. Ninety-three per cent of children enter primary school and about one-quarter drop out after the sixth year. About 80 per cent of young people have completed at least primary schooling and about 34 per cent have completed vocational schooling at the secondary level.

Despite positive signs of increased enrolment, there are severe gender discrepancies, in the education attainment. For example, recent studies have shown that about 20 per cent of young women aged 15-24 have no education, compared to 6 per cent of young men in the same age category. On the other hand, the proportion of females that never attended school is dropping in the recent years. Figure 2.1 shows the population distribution (10 years or over) according to education status and sex. The most important observation from this figure is the clear gender discrepancy in illiteracy rates. A more apparent gender discrepancy seen in Table 2.2 relates to unemployment rates. The female unemployment rate is four times the male unemployment rate. Table 2.3 presents the evolution of the labour force participation and unemployment rates (age 15-64 years) between 1994 and 2004. Notwithstanding the decreasing trend in the 1990s, the unemployment rate increased during the last five years.

<sup>5</sup> At the time of the survey, this was Central Agency for Public Mobilization and Statistics (CAPMAS), *The Statistical Year Book* published in June 2005.

**Table 2.2 Characteristics of the labour market in Egypt, 2004**

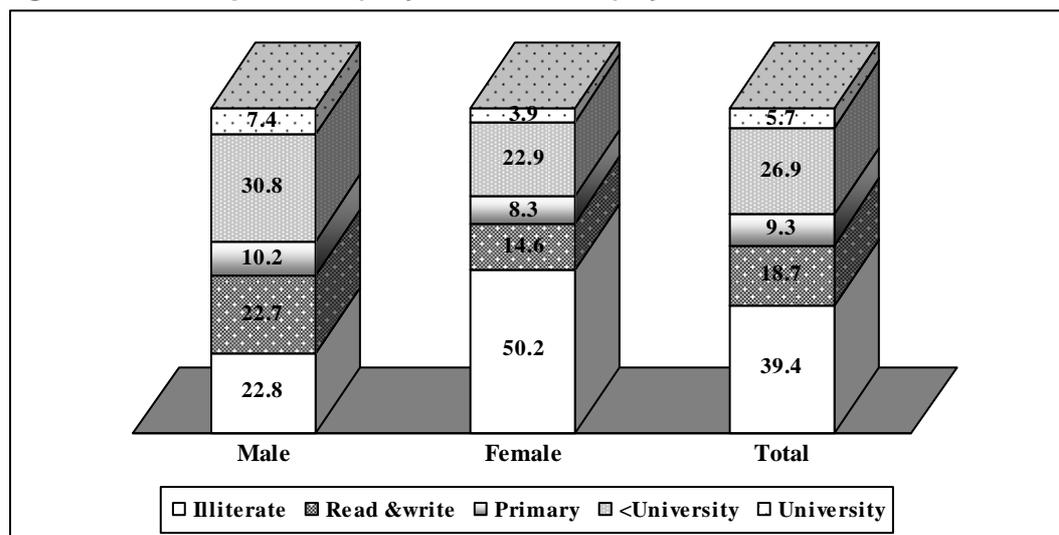
Population size ('000)	67,976*
Population growth rate (%)	1.7
Distribution of population by age (%)	
0-14	39.9
15-19	10.5
20-24	8.8
25-29	7.7
30-64	29.2
65+	3.9
Literacy rate (%)	
Total	60.6
Male	71.0
Female	49.8
Unemployment rate (%)	
Total	10.7
Male	6.8
Female	24.4

Source: Central Agency for Public Mobilization and Statistics (CAPMAS), *The Statistical Year Book*, June 2005. \* excluding Egyptians abroad

**Table 2.3 Labour force, employment, unemployment and unemployment rate (persons aged 15-64)**

Year	Labour force ('000)	Employed ('000)	Unemployed ('000)	Unemployment rate (%)
1994	16,812	14,939	1,873	11.1
1995	16,969	15,058	1,910	11.3
1997	17,277	15,830	1,446	8.4
1998	17,631	16,183	1,448	8.2
1999	18,230	16,750	1,480	8.1
2000	18,901	17,203	1,698	9.0
2001	19,340	17,556	1,783	9.2
2002	19,877	17,856	2,021	10.2
2003	20,360	18,119	2,241	11.0
2004	20,871	18,718	2,154	10.3

Source: Central Agency for Public Mobilization and Statistics (CAPMAS), *The Statistical Year Book*, June 2005.

**Figure 2.1 Population (10 years and over) by education status and sex**

Source: Central Agency for Public Mobilization and Statistics (CAPMAS), *The Statistical Year Book*, June 2005.

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Child labour is a common problem throughout the world, especially in the developing countries. Recent statistics indicate that Africa and Asia together account for over 90 per cent of total child employment. Child labour in Egypt varies by urban and rural residences and by gender. Discrepancies in estimating child labour have been attributed to the failure to unify its definition. Some researchers define child labour as regular work for which the child is paid a consistent wage, while others expand the definition to include occasional or part-time work or unpaid family work. Recent estimates of child labourers aged 6-14 years range from 3.7 per cent to 21 per cent.<sup>6</sup>

The Egyptian labour market consists of two sectors: the public and the private sectors. The public sector, which includes government and public enterprises, offers formal work, while the private sector includes both formal and informal work. Employment opportunities in the public sector, which are provided and directed by the Egyptian government, include jobs in government agencies and state-owned enterprises. The government still remains the largest employer in Egypt especially for graduates. Beginning in the 1960s, the public sector expanded and increased its employment rates. Due to severe budgetary pressures, however, the growth rate started to decline in the mid-1980s. With the adoption of the economic recovery programme, the growth of government employment slowed further to a minimal level during the 1990s. Also, with the privatization of public enterprises the employment opportunities offered by this sector diminished further. However, despite these trends, although the public sector still employed approximately one-third of the all workers in the country by 2002, a rate that is much higher than in other developing countries.<sup>7</sup> Many studies predict that the public sector will offer fewer and fewer opportunities for youth in the near future.

The private sector, on the other hand, includes the activities owned and directed by nongovernmental organizations such as households and private firms. In 1995, the private sector provided 18 per cent of the total wage employment, mostly provided by the private agriculture sector which is the primary source of private employment in Egypt. The private formal economy has been growing significantly during the last few decades but its contribution to total employment remains relatively low. The informal economy has been playing a very important role in absorbing the increasing numbers of new entrants into the Egyptian labour market, especially new graduates waiting for public sector employment opportunities. The informal economy includes small establishments, mostly with less than five employees and without legally binding contracts, and according to the 1995 labour force sample survey it provided 18 per cent of total wage employment. Currently, with the limited opportunities for employment provided by the formal economy, the informal economy is the leading sector of labour absorption in the Egyptian economy. While millions of young graduates find job opportunities in the informal economy, especially young women in rural areas, they are forced to work under precarious and poor conditions. Recent statistics indicate that 57 per cent of employed women from rural areas in the age group 12-64 are employed in the informal economy.<sup>8</sup>

Figures 2.2 and 2.3 show the employed population distribution by economic sector and type of occupation, respectively. The economic sectors absorbing most employment in Egypt are agriculture, hunting and farming sector (31 per cent) and the manufacturing sector (14 per cent). The majority of employed females are working in the education sector (30 per cent) while the majority of males are working in the agriculture, hunting and farming sector (34 per cent). The majority of population are working as farmers/fishers/hunters (27 per cent), craftsmen and related workers (14 per cent), and professionals (12 per cent). The majority of male workers are working as farmers and fishermen (31 per cent), while the majority of females are working in professional occupations (25 per cent).

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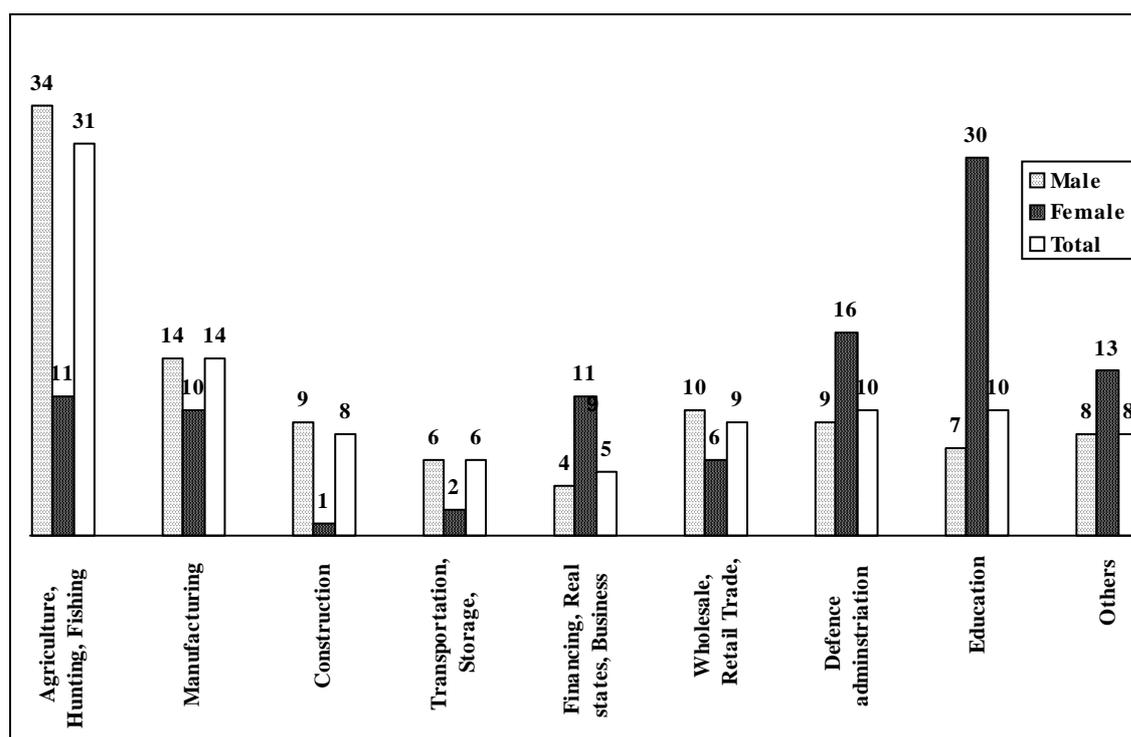
<sup>6</sup> Estimates from Central Agency for Public Mobilization and Statistics (CAPMAS) and the Egypt Demographic and Health Survey (EDHS), 2005.

<sup>7</sup> S. di Gobbi and A. Nesporova: "Towards a new balance in labour market flexibility and employment security for Egypt", Employment Strategy Paper No. 10 (Geneva, 2005);

<http://www.ilo.org/public/english/employment/strat/download/esp2005-10.pdf>.

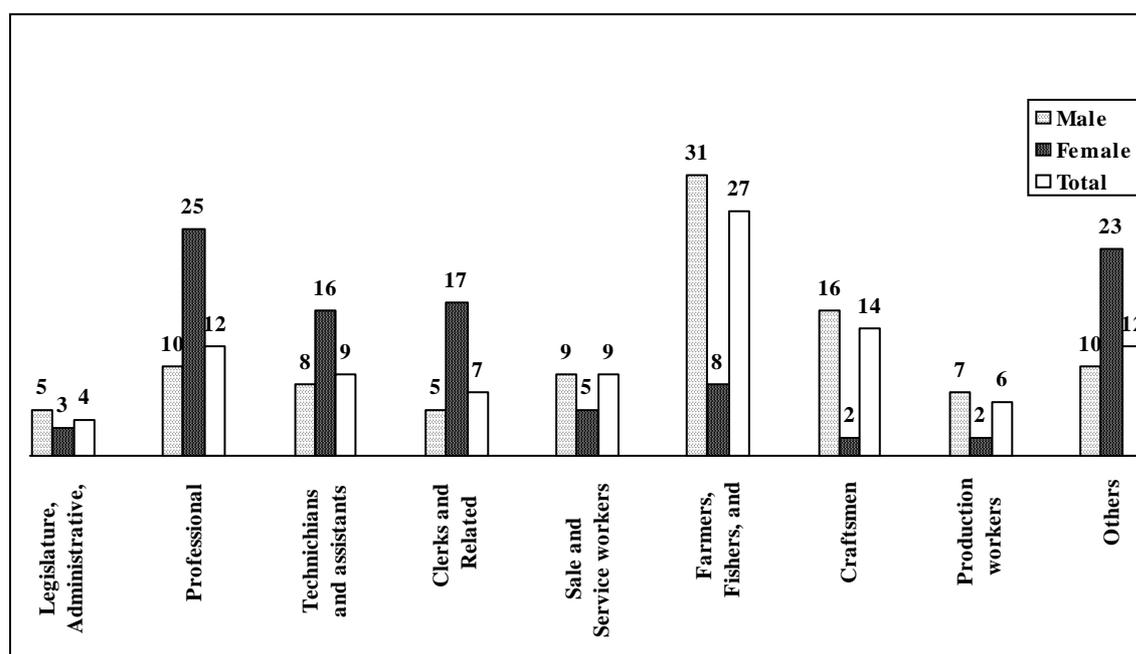
<sup>8</sup> Central Agency for Public Mobilization and Statistics (CAPMAS), 2004.

**Figure 2.2 Employed population (15 years and over) by economic sector**



Source: Central Agency for Public Mobilization and Statistics (CAPMAS), 2004.

**Figure 2.3 Employed population (15 years and over) by occupation**



Source: Central Agency for Public Mobilization and Statistics (CAPMAS), 2004.

## 2.3 Youth in the labour market in Egypt

The young people of interest to this survey were born between 1975 and 1990 (youth in the age group 15-29 years old) when the Egyptian economy was growing at an unprecedented rate of 8 per cent per year. This period was marked by high oil revenues, steady flows of resources from the Suez Canal and tourism, in addition to workers' remittances from overseas. Although most of the

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employment sectors were saturated, and the population growth rate was continuously increasing, the labour demand in the Gulf countries absorbed the growing labour force. However, during the childhood and adolescence of the young people of interest, the economy turned less favourable. The external debt had reached a peak, the fiscal deficit had reached a serious level, and growth slowed down tremendously. The effect of the increase in oil prices declined, meanwhile the Gulf conflicts resulted in large numbers of returning migrants.

Young people between the ages of 15 and 29 constitute more than one-quarter of the total population of Egypt as shown in Table 2.1. These young people are by far the largest cohort entering the Egyptian labour force. They are more educated than ever before. These young people constitute 22 per cent of the total Egyptian labour force, yet this age category represents the largest segment of the unemployed Egyptians. The youth unemployment rate in Egypt was quite high at 34 per cent in 2004.<sup>9</sup> The problem is more serious for females for who the share in the total labour force was only 24 per cent in 2004. A recent study showed that the unemployment rate for young women between the ages of 15 and 24 was three times the unemployment rate of young men of the same age group and more than five times the overall unemployment rate in Egypt.<sup>10</sup> The same study showed that the proportion of young women that were neither working nor attending school exceeded 50 per cent; most of them were engaged in housework activities.

## **2.4 Overview of approaches, policies, and programmes addressing youth**

Young people represent a great resource for building the future of their country. The Egyptian government recognizes that young people are a major asset. As a result they have been responding to the youth unemployment challenge through various interventions. Many of these interventions have not been holistic in scope and have had varying degrees of success. One recent example of the government commitment was stepping forward to be a lead country under the YEN. In this, Egypt has committed itself to take the lead in the preparation and implementation of a National Action Plan for youth employment. However, the government response to the youth unemployment challenge started more than two decades ago. This section briefly presents the most important projects conducted by the Egyptian government in an attempt to address the youth employment challenge.

By the end of the 1980s, the Egyptian economy was in crisis in terms of the budget deficit, economic growth, and unemployment rates. As a result, the government adopted the Economic Recovery and Structural Adjustment Program (ERSAP) in 1991 in an attempt to stabilize the economy and operate the market mechanism more efficiently. The policies and laws adopted by the government to shape the structure of the ERSAP can be described as follow:

The primary policies adopted by the government to decrease unemployment rates in general (and youth unemployment rates in particular) were the privatization of the public sector and the issuing of more efficient investment laws. For a long time, within development plans, the Egyptian constitution gave primary responsibility to the public sector. The new reform plan, however, included policies to develop the private sector to play the primary role in the market and, on the other hand, to limit the role of the public sector. Privatization policies and investment laws were enacted toward achieving this objective. By 1996, assets worth over \$800 million were privatized, in addition to \$1 billion of local governorates' assets, joint venture companies and unutilized fixed assets. At this time, about 83 per cent of state-owned companies were at least partially privatized, and in June 1998, 84 additional companies were transferred to private ownership.<sup>11</sup>

As a side effect, privatization policies reduced the chances for growth in public employment and resulted in increased unemployment rates. However, since the guarantee scheme applied in Egypt since the mid fifties, in which university graduates were guaranteed government jobs, has not been formally abolished, young graduates, especially women, continued to aspire to public sector employment. Moreover, privatization of public enterprises was not matched by growth in private

<sup>9</sup> Ibid.

<sup>10</sup> S. El-Kogali and N. Bassusi: "Youth livelihood opportunities in Egypt" (Cairo, Population Council, 2001).

<sup>11</sup> Ibid.

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investments and private sector employment, leading to an overall shrinkage of employment opportunities for young people in the labour market.

The role of investments in creating jobs for young new entrants into the labour market is highly important. In Egypt, numerous laws impacting private investment have been passed over the past fifty years, including investment laws, company laws, commercial laws, tax laws, industrial laws, ownership and registration laws and special laws directed to specific sectors. Such laws were put into action to motivate investors to invest in Egypt. To go through all these laws is beyond the scope of this report. The focus here will be on the major investment projects established in Egypt and on their direct impact on creating work opportunities in the economy.

One of the most important investment projects established by the government to absorb young graduates was the *Free Zones* areas. As part of its efforts to attract private investment, Egypt established several free zones, such as *export processing zones*. By 1997 the Free Zones areas attracted 819 projects of which 380 were in operation.<sup>12</sup> The main objective of establishing these zones was to create jobs and increase employment opportunities through export promotion.

Other important government projects included establishing new urban communities and industrial zones. New urban communities, such as Tenth of Ramadan, Sixth of October, Borg Al Arab, Sadat City, Amerya, Salheya, Badr and Obour, were created to attract population away from the existing overpopulated cities. The goal of establishing these communities was to extend industrial/residential developments and consequently create more job opportunities for all people including young graduates. These communities offered strong incentives for investors in the form of subsidized land with modern infrastructure and up to ten years tax breaks for all development.

Industrial zones are established adjacent to existing urban areas. As was the case with new urban communities and export zones, the industrial zones have also attracted a large number of investment projects. The development of these zones has increased employment opportunities for young people. The new zones, however, helped many more young men than young women. In Egypt social and cultural constraints do not allow young unmarried women to live alone in compounds away from home. Thus, while these special zones may attract young people, unless investments in transportation are made, young women may be constrained from these jobs. Although these investment projects absorbed a lot of new entrants to the market, most of them have been capital-intensive and do not create sufficient jobs to absorb the large cohort of young jobseekers.

The privatization efforts in the public sector succeeded in changing the public/private share of GDP in Egypt. In 1990 the share of public investment in GDP was more than double the share of private investment, while in 1995 the share of private investment became double that of public investment. However, this was due to the significant decline in public investment and not to an overtly large increase in private investment. The major factor that affected private investments in Egypt during the past few years was the discouraging investment environment, which can be mainly attributed to social and political instability in the country.

Other laws and decrees were issued that had direct or indirect impacts on private investment and youth employment. It is estimated that more than 20 laws and decrees governed domestic and foreign investment in Egypt were issued during the past few years. These included the Commercial Register Law, the Income Tax Law, the Industrial Licensing Law, the New Urban Communities Law, the Industrial Shops Law, and several others.

In the present time three main categories of labour market interventions are used in Egypt. These interventions are human resource development, direct job generation projects, and support in self-employment and enterprise creation. The interventions aim to have direct and indirect impacts on the youth employment at the national level. The most important three interventions are “the Mubarak-Kohl initiative”, “the public works programme (PWP)” and “the desert development programmes”. The main goal of the Mubarak-Kohl initiative is to increase employers’ responsibility in the training of young people in order to reflect the real needs of the labour market. The PWP aims at creating short-term and long-term employment opportunities by establishing public projects in rural areas, in addition to improving and extending the Egyptian infrastructure, which is assumed to lead to an expansion of long-term employment opportunities. The desert development programmes aim at

<sup>12</sup> Ibid.

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cultivating the deserts of Egypt in a way that absorbs more labour, houses more people and produces more food.

### **3. Characteristics of youth in the sample survey**

This chapter presents the most important background characteristics of the male and female youth interviewed in this survey. The main objective of this chapter is to provide the conceptual framework for the study of the transition from school to work for the youth in Egypt.

#### **3.1 Individual characteristics of youth**

According to the standard UN definition, youth comprises the age group 15-24 years old inclusive. The operational definition of youth, however, varies widely from country to country, depending on different factors, such as cultural, institutional and political factors. In Italy, for example, the term youth is used to describe policies for people aged between 14 and 29. Likewise, the definition of the term youth varies from one organization (or institution) to another even within the same country. For example, the Ministry of Youth (MOY), a now defunct agency, defined “youth” as young people in the age group 18-35, while the Ministry of Health and Population (MOHP) defines it as the young people in the age group 15-24. In this report the term youth will be used to describe people in the age 15-29 years old inclusive due to several reasons related to the Egyptian culture. In Egypt a lot of young people continue their education till as late an age as 25, and then they have to undergo compulsory military service which can last between one to three years.

As presented in Chapter 2 young men and women less than 30 years of age represent 70 per cent of the population with 11 per cent of the total population aged 15-19 years, 9 per cent aged 20-24, and 8 per cent aged 25-29 years. Although they represent an invaluable asset for future development, youth in Egypt are increasingly marginalised and vulnerable due to the increasing rate of unemployment during the recent years. The low employment rates of young Egyptians, especially women, is mostly due to the low capacity of the economy to create jobs, the practice of not allowing females to work, and the poor quality of educational outcomes coupled with the absence of links between school and the world of work. Training opportunities are almost absent and most of the working skills needed by the employers are acquired on-the-job.

In the analysis of behaviours and perceptions of the younger cohort, mean marriage age provides a good indicator of changing attitudes. Table 3.1 shows the per cent distribution of youth by marital status according to sex and age group. As shown in this table, most respondents in the age 15-29 were single (60 per cent), 47 per cent of the female respondents and 73 per cent of the male respondents. The currently married youths in the sample were 36 per cent; the average age at first marriage was 20.5 years (19.1 years for females and 23.3 years for males); see annex.

More than 90 per cent of the youth in the sample reported that they were living at their current residence since birth. Among the males in the sample who reported that they moved at least once before they settled down in their current residence, 70 per cent reported that they left with family, while 22 per cent reported that they moved for work purposes. On the other hand, among the females in the sample who reported that they moved at least once, 43 per cent reported that they left with family while 56 per cent reported that they moved as a result of marriage.

**Table 3.1 Youth by marital status (% of total), by sex and age group**

Background characteristic	Marital status					Number
	Single	Engaged/ signed contract	Married	Divorced/ separated	Widow	
<b>Sex</b>						
Male	73.4	2.3	24.2	0.1	0.0	1,724
Female	46.5	4.7	47.3	1.2	0.3	1,786
<b>Age group</b>						
15-19	91.3	3.4	5.3	0.0	0.0	1,294
20-24	62.4	5.3	31.4	0.8	0.1	1,087
25-29	21.0	1.9	75.4	1.3	0.4	1,129
Total	59.7	3.5	35.9	0.7	0.1	3,510
Number	761	123	356	1,061	1,209	3,510

Table 3.2 shows the distribution of youths in the sample by some background characteristics according to activity. More than 30 per cent of sampled youth in Egypt were in school, 34 per cent outside of the labour force (inactive), 22 per cent employed, 4 per cent self-employed/employers and 10 per cent unemployed. More men than women were unemployed (67 per cent males and 33 per cent females), but this was due to the higher percentage of women in the out of the labour force category. The figures in Table 3.2 reflect a serious gap in employment rates between males and females. From those employed, about 85 per cent were males; among those self-employed/employers, 93 per cent were males; while of those who are inactive, 89 per cent were females. Most of the inactive females (60 per cent) had at least one child (see annex).

**Table 3.2 Activity by sex, age group and urban/rural residence**

Background characteristic	Employed	Self-employed	Unemployed	In school	Inactive	Total
<b>Sex</b>						
Male	85.4	92.7	67.1	55.9	10.6	49.1
Female	14.6	7.3	32.9	44.1	89.4	50.9
<b>Age group</b>						
15-19	13.9	4.9	19.1	81.5	20.6	36.9
20-24	29.8	17.9	52.8	17.6	38.3	31.0
25-29	56.2	77.2	28.1	0.8	41.1	32.2
<b>Urban-rural residence</b>						
Rural	41.7	47.2	59.3	60.6	35.4	47.2
Urban	58.3	52.8	40.7	39.4	64.6	52.8
<b>Total</b>	21.7	3.5	10.1	30.3	34.4	

### 3.2 Household characteristics of youth

The population of Egypt is known for its traditional society. Traditions may influence the decision young people take concerning their employment participation especially young females (many Egyptians especially in rural areas prefer that females do not work), the priority of individuals within the family in accessing jobs as well as the type of employment individuals may undertake.

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**Table 3.3 Household members by activity**

<b>Activity</b>	<b>Total</b>
<b>In wage employment</b>	
None	29.1
One member	48.5
Two members	16.7
Three members	4.0
More than three	1.7
<b>Self employed/ Own account workers</b>	
None	80.8
One member	17.4
Two members	1.3
Three members	0.4
More than three	0.1
<b>Unemployed</b>	
None	81.8
One member	13.6
Two members	3.7
Three members	0.8
More than three	0.1
Number of households	5,423

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Income poverty is strongly linked to household characteristics, above all to the absence of employed members in the household, the educational attainment of the household head and the family size. Table 3.3 shows the distribution of households by activity. Most surveyed households had one or two members in wage employment (65 per cent), at least one member in self-employment/own-account workers (19 per cent), while 29 per cent lived in a household where nobody was engaged in wage employment and 81 per cent lived in one where nobody was self-employed/employer. The presence of unemployed household members was relatively small, with 18 per cent of surveyed households having at least one member looking for a job. This is due, however, to the high rate of inactive members in the households surveyed (80 per cent of the households had at least two inactive members).

Another factor that may influence the decision of individuals about their employment is the education level of the parents. Table 3.4 shows the distribution of youth by the highest educational level successfully completed by parents according to the activity status of the youth. The most important observations are that the percentage of inactive youth increases with lower levels of parental education levels, while the percentage of in-school youth increases when parents' education levels are higher. On the other hand, the parents' education levels do not seem to have a significant influence on the likelihood of the young person to be in the other activity status categories (i.e. wage employment, self-employment/employers, and unemployed).

As was the case with the parents' education level, the household income level shows little impact on the activity status of the youth. Though, it should be noted that the percentage of in-school youth increased with the household income levels, while the percentage of inactive youth increased with the lower levels (see annex).

**Table 3.4 Education attainment of parents by activity status of respondent**

Highest educational level completed	Employed	Self-employed	Unemployed	In school	Inactive
<b>FATHER</b>					
Illiterate	63.7	74.8	49.7	32.6	72.7
Primary	10.5	5.7	9.3	8.3	6.7
Preparatory	6.3	2.4	6.7	6.8	5.5
Secondary	10.4	8.9	16.6	23.8	9.8
High education	7.8	5.7	14.6	25.6	4.1
Post graduate	0.4	0.0	0.3	1.1	0.0
Number	761	123	356	1,061	1,209
<b>MOTHER</b>					
Illiterate	78.7	87.0	65.4	45.4	86.3
Primary	5.9	4.1	5.9	5.7	4.0
Preparatory	3.5	3.3	6.5	6.1	2.6
Secondary	7.8	3.3	13.5	26.5	4.9
High education	3.3	0.8	6.7	14.0	2.0
Post graduate	0.1	0.0	0.0	0.6	0.0
Number	761	123	356	1,061	1,209

### 3.3 Aspirations and life goals

Youth in the survey, irrespective of their activity status, sex, age group, and geographical area, aspired mostly to have a decent job (31 per cent), have a good family life (29 per cent), and be successful in life (20 per cent). These results are shown in Table 3.5. Most of the inactive youth in the sample (57 per cent) aspired to have a good family life; most of the in-school youth aspired to have a decent job (33 per cent) or to attain a university degree (27 per cent); while most of the unemployed (64 per cent) aspired to have a decent job.

With respect to sex, the majority of males (43 per cent) aspired to have a decent job while the majority of females (46 per cent) aspired to have a good family life. This result is logical due to the fact that most of the inactive youth in the survey were females. With respect to age, the majority of youth in the age groups 15-19 and 20-24 aspired to have a decent job (31 per cent and 36 per cent, respectively), while the majority of youth in the age group 25-29 aspired to have a good family life (42 per cent).

**Table 3.5 Most important life goal by activity, sex and age group**

Important goal	Emp-loyed	Self-employed	Unemp-loyed	In school	Inactive	Sex		Age group			Total
						Male	Female	15-19	20-24	25-29	
To be successful in life	25.1	22.8	9.0	21.3	17.6	20.2	19.1	22.6	15.8	19.9	19.7
Contribute to society	0.7	1.6	1.1	1.2	0.8	1.2	0.7	1.2	0.8	0.8	1.0
Contribute in political life	0.4	0.8	0.0	0.3	0.2	0.4	0.1	0.2	0.2	0.4	0.3
To be religious	0.5	0.8	0.6	0.5	1.9	0.5	1.5	0.8	1.1	1.2	1.0
Have a lot of money	10.5	17.1	7.6	3.7	3.1	9.6	2.2	5.0	5.8	6.8	5.8
Good family life	21.4	21.1	13.5	7.9	57.3	11.0	46.2	15.4	31.6	41.8	28.9
Enjoy free time	0.0	0.0	0.3	0.5	0.4	0.0	0.6	0.5	0.2	0.3	0.3
A lot of experience in different areas	1.6	1.6	0.6	1.1	0.8	0.8	1.3	1.4	1.0	0.8	1.1
Understand life and its objectives	0.4	0.8	0.6	0.4	0.5	0.1	0.8	0.3	0.6	0.5	0.5
Life and work in a foreign country	3.8	2.4	1.7	3.2	0.4	3.9	0.5	1.9	2.7	2.0	2.2
Have a decent job	35.1	30.1	63.8	32.7	16.3	42.7	19.0	31.3	35.7	25.0	30.6
Education/university grade	0.5	0.8	1.4	27.2	0.6	9.6	7.9	19.3	4.6	0.5	8.7
Number	761	123	356	1,061	1,209	1,724	1,786	1,294	1,087	1,129	3,510

In brief, Egyptian youth consider obtaining a decent job, succeeding in their life and having a good family life as their most important aspirations. This shows that, despite the difficult economic conditions of the country, characterized by growth with lack of employment opportunities, youth remain hopeful towards their future.

### 3.4 Educational achievement

The educational level of respondents is given in Table 3.6. The majority of the respondents completed (attained) vocational technical secondary school (34 per cent). More than 24 per cent had completed (attained) undergraduate university studies. About 13 per cent of the respondents had never been to school (18 per cent of the female respondents and 8 per cent of the male respondents). Generally speaking the level of education of girls and young women increased sharply with respect to the previous generation. While most of the female respondents had, or were obtaining, vocational technical secondary education (33 per cent) and university education (22 per cent), their mothers were mostly illiterate. Another important observation from the figures in Table 3.7 is that the percentage of respondents who have never been to school decreases with age.

Despite the increasing educational attainment of the younger cohorts (and mainly among girls) about 24 per cent of respondents discontinued their education before finishing their study course and of these 31 per cent discontinued their education because they failed an examination, 31 per cent discontinued their education because of disliking education, while 12 per cent discontinued their education for economic reasons. Despite economic difficulties, the aim of many young Egyptians is to achieve university education or higher, in the belief that such attainment will improve their employment opportunities (see annex).

**Table 3.6 Level of education of respondent by sex and age group**

Highest educational level attained	Sex		Age group			Total
	Male	Female	15-19	20-24	25-29	
Never been to school	7.5	18.1	7.8	12.9	18.8	12.9
Primary	6.8	6.7	4.3	6.1	10.1	6.7
Preparatory	9.6	8.0	10.6	7.0	8.3	8.7
Job training	0.6	0.3	0.5	0.4	0.5	0.5
Secondary	9.6	7.5	21.3	1.2	0.9	8.5
Vocational technical secondary	35.6	33.3	34.4	35.5	33.4	34.4
Upper intermediate	4.0	3.5	2.3	4.2	4.9	3.7
University	26.2	22.2	18.8	32.4	22.5	24.2
Above university	0.2	0.4	0.0	0.4	0.6	0.3
Number	1,724	1,786	1,294	1,087	1,129	3,510

The education level of the respondents affects their activity status as shown in Table 3.7. From those who are inactive respondents, 27 per cent had never been to school and 19 per cent had completed at most preparatory school. On the other hand, from the unemployed respondents, 43 per cent attained vocational technical secondary education and 34 per cent attained university education, which is a strong indication of a mismatch between the skills attained through education and the skills needed in the labour market. Generally speaking, increased school attendance is without doubt a positive indicator, as there is a general presumption that better educated youth will be more employable. However, it appears that many young people in Egypt postpone their entry into the labour market by staying in school due to a lack of immediate job opportunities, more so than for a reason of expanding their career options, as 78 per cent of the unemployed reported that the main reason for not finding a decent job was the lack of current job opportunities.

**Table 3.7 Respondent education attainment by activity**

Highest educational level attained	Wage Employee	Self-employed/ employer	Unemployed	Inactive
Never been to school	12.0	14.6	3.9	27.3
Primary	11.4	9.8	5.9	9.6
Preparatory	11.2	15.4	5.3	9.8
Secondary	0.9	0.0	0.8	1.5
Technical secondary	35.9	37.4	42.7	38.5
University	22.5	16.3	34.3	9.5
Other education/training	6.2	6.5	7.0	3.8
Number	761	123	356	1,209

### 3.5 Vocational and technical training

It is well-known that Egyptian employers face difficulties to recruit qualified workers, as the training system fails to produce skills that are in demand. Under-equipped, outdated training centres are run with limited or no private sector involvement. They are staffed by under-qualified and unmotivated teachers, who often lack practical experience. They follow curricula that are not standardized, and do not have the means to keep abreast of technological developments.<sup>13</sup> Often, the industry is not sufficiently sophisticated for training courses of long duration, and the private sector lacks the umbrella organizations necessary for managing jointly training courses. Generally speaking, vocational learning and access to training and re-training opportunities is very low in Egypt. The targeting of vocational training (preparing young people for employment) is very poor. The most important reason for that is the failure of vocational education system in Egypt to prepare young people for employment and consequently young persons with completed vocational education need to receive additional skills training to be able to find a job. People with limited education are less informed on training opportunities available and, when informed, they are often discouraged in registering since they would not be able to fully reap the benefits of training.

The research does not provide objective elements to evaluate the quality and impact of education and training in Egypt for young people. There are, however, indications that the education and training system are not yet of the quantity and quality required by the labour market. For example, out of the 347 employers interviewed in this survey, almost half (47.5 per cent) rated the practical training received at school of young workers or applicants as poor. The majority of employers in the survey indicated that based on their experience in interviewing young applicants, the practical training received at school is very poor (48 per cent), and their ability to apply knowledge learned at school in work is also very poor (41 per cent). Moreover, only 7 per cent of the young employees/self-employed youth interviewed in this survey indicated that they had received training for their current activity.

In Egypt training curricula are not standardized and levels of graduates' skills vary considerably across vocational training institutions. The variation in the quality of vocational training certificates creates greater reluctance among Egyptian employers to employ fresh graduates.

### 3.6 Preparation for school-to-work transition

The number of in-school youth in the sample survey is 1,061, representing about 30 per cent of the total youth in the sample. Most young people still attending school planned to search for a job after completing their current education level (53 per cent; 35 per cent are females and 65 per cent are males). About 42 per cent of them planned to postpone their entrance into the labour market and achieve a higher level of educational attainment (40 per cent are females and 60 per cent are males).

<sup>13</sup> W. van Eekelen, L. de Luca and N. Ismail: "Youth employment in Egypt", SKILLS Working Paper No. 2, Geneva, ILO, 2001; <http://www.ilo.org/public/english/employment/skills/youth/download/skillswp2.pdf>.

Out of the 53 per cent of students who plan to enter the labour market, less than 2 per cent were already looking for a job and were doing so mainly through friends, family and relatives (see annex).

Only two respondents from the youth still attending school reported that they stopped their education at one point in time in order to work or look for work before they re-entered the education system. About 7 per cent of the in-school youth reported that they are working during the summer vacations only, while one per cent reported that they are working and studying at the same time (these students are treated as transited respondents in Chapter 4). The majority of respondents still attending school expected to complete a university education (63 per cent). Most young people in school planned to specialize in commerce and business administration field (30 per cent), education field (12 per cent), and engineering field (11 per cent), despite the fact that the occupational clusters associated with these fields appear already overcrowded and with limited opportunities for employment.

In fact, most students in Egypt are left alone to decide their education and career paths. Decisions are taken without proper information, causing a failure of the market mechanisms. Thus, it is of great urgency to establish career guidance service centres in schools to help students choose the appropriate field of study. Although career guidance services are already introduced to students in some schools and universities, their effect is very limited and inefficient.

Learning in schools is still teacher-centred and vocational programmes are targeted towards narrow specializations not providing young people with the skills required by the labour market. Limited structured links exist between vocational school and the local labour market. Schools do not track leavers after they get jobs, and support from local employment offices is scarce.

### 3.7 Employment status

#### 3.7.1 Wage employment

As mentioned previously, the percentage of employed respondents was 22 per cent. Of the employed respondents, 93 per cent were wage employees, 1 per cent were working for others without cash, less than one per cent were volunteer workers, while 6 per cent were unpaid family workers. Table 3.8 presents the distribution of the employed respondents by occupation. As shown in this table, of the employed respondents, 22 per cent were skilled agricultural workers, 21 per cent were craft and related trades workers, 12 per cent were technicians and associate professionals, while 8 per cent were sales workers. Also as shown in Table 3.9, the agriculture sector absorbed about 24 per cent of the employed respondents, the wholesale and retail trade sector absorbed 17 per cent, the manufacturing sector more than 11 per cent, the construction sector more than 10 per cent, while the education sector absorbed more than 8 per cent.

**Table 3.8 Employed respondent by occupation**

Occupation	%
Legislators, Senior officials and Managers	3.4
Professionals	8.9
Technicians and associate professionals	11.9
Clerks	3.6
Service workers	6.3
Sales workers	7.6
Skilled agriculture workers	22.0
Craftsmen and related workers	20.6
Production workers	8.0
Elementary occupation	4.4
Armed forces	2.7

Most youth in wage-employment were employed in companies with less than five employees (33 per cent), while 25 per cent of them were employed in companies with more than 20 workers. Most youth had a job searching period before being employed ranging from 1 month to 1 year (39 per cent). Many youth either found a job within the first month of job-searching (45 per cent) or remained unemployed for many months (55 per cent).

The main means for finding their current employment are through family connections (27 per cent), friends (31 per cent), or direct application to the employers (17 per cent). Most youth employed (89 per cent) never registered with the Employment Services offices (public employment services) and only 14 per cent of them received some sort of assistance (mainly information on vacancies and advice on how to search for a job), while 9 per cent of them obtained their current job through public mediation services. The job application rate and interview rate are rather low: about 70 per cent did not apply to any job, 15 per cent applied to a maximum of two jobs and 23 per cent of young employees went to a maximum of two interviews.

Only 27 per cent of young employees had an employment contract – 89 per cent signed a contract with the employer, while 11 per cent had an oral contract – despite the fact that more than 81 per cent had been employed in their job for one year or longer. 64 per cent of those with contracts had contracts of unlimited duration. The labour laws in most countries including Egypt consider the need for employment contracts to be made in writing. According to the written employment contract yardstick, 76 per cent of young employees could be classified as informal workers. Furthermore, as many as 38 per cent of all employees (including wage employees, self-employed, unpaid family workers) worked in a private company employing less than five employees.

**Table 3.9 Employed respondent by sector**

Sector	%
Agriculture, hunting, fishing	23.9
Mining	1.5
Manufacturing	11.4
Electricity, gas, and water supply	0.7
Construction	10.5
Wholesale retail trade and repair	17.0
Hotels and restaurants	3.5
Transport, storage and communications	6.7
Finance and insurance	0.9
Real estates, renting and business activity	1.5
Public administration and defence	2.3
Education	8.2
Health and social work	2.0
Other community, social, and personal services	5.5
Private household services	4.2

Other decent work indicators do not show favourable results. Nearly 55 per cent of employed respondents did not benefit from medical insurance or retirement pensions. As many as 31 per cent of youth employed were not satisfied (pleased) with their current work and 73 per cent of them planned to change their job, generally in order to get a higher wage (41 per cent) or to improve career perspectives (36 per cent).

Generally speaking, working conditions have worsened during the decades for young Egyptian workers who work longer hours with less stability and fewer benefits. One of the most important indicators of good working conditions is the weekly working hours. The standard maximum weekly hours for most full-time employees in many countries is 40. The aim of restricting the working hours is to improve the safety, health and well-being of workers and to enable workers to have an appropriate work/life balance. The results of this study, however, showed that more than 80 per cent of employed males and 57 per cent of employed females were working more than 40 hours per week (see Table A32 in the annex). It also should be noted that all of the employed respondents with secondary education were working more than 40 hours weekly, with 57 per cent of them working more than 60 hours per week.

Other important indicators include union membership and wage. The data collected in this study show that only 10 per cent of employed respondents were members of unions. The data also show that 76 per cent of employed respondents had monthly incomes of less than 400 L.E (see Table A25 in the annex). Self-employed respondents reported much higher monthly income, with 52 per cent of them reporting a monthly income greater than 400 L.E. About 52 per cent of the surveyed employees earned less than 300 L.E. per month.

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### 3.7.2 Self-employment

Youth self-employed (own-account or with employees, i.e. employers) were 4 per cent of the youth in the sample survey and self-employment is showed to be a predominantly male phenomenon: just 7 per cent of the self-employed respondents were females. The survey did not show a significant correlation between self-employment and a higher educational level. However, more than 42 per cent of self-employed youth had attained technical secondary education, as shown in Table 3.7 above.

Youth chose self-employment because they could not find a wage or salary job (39 per cent), because of greater independence (38 per cent), or because it grants higher income (9 per cent). Most youth did not receive the help of family members as workers in carrying out their activities (77 per cent). More than 83 per cent of them have paid employees assisting them in running their business and the majority of these (60 per cent) rely on at most two workers.

Self-employment activities and products are concentrated in personal and community services (64 per cent), agriculture goods (20 per cent), and industrial/textile goods (13 per cent). There is a clear lack of support for young entrepreneurs: the majority started their activity with their own savings or with the financial backing of their family (26 per cent and 35 per cent, respectively). Only about 2 per cent of surveyed self-employed youth obtained a loan from a bank.

Most self-employed respondents stated that their activity was profitable (90 per cent). The self-employed share the same constraints of larger enterprises: very high taxation and continual rising of cost production (21 per cent and 19 per cent, respectively) are the main difficulties faced by the self-employed youth in operating their business.

### 3.7.3 Unemployed

The percentage of unemployed youth in the survey was about 10 per cent (67 per cent of them are males and 33 per cent are females). The higher percentage of male jobseekers is due to the lower participation rate and the higher inactivity rate of women.

Most young unemployed (51 per cent) were seeking work using the assistance of friends and acquaintances, 39 per cent using the assistance of family members and relatives, 36 per cent through direct application to employers, and 13 per cent through advertisements. Only 6 per cent of the young unemployed sought work through public employment services, only 4 per cent through the private employment offices and only 2 per cent relied on education/training institutions for help in the job search. The figures indicate that the use of informal networking for youth job searches, such as searching through friends, relatives, or direct applications to employers, is dominant compared to the use of formal employment organizations, such as employment mediation offices and education/training institution. This result was confirmed by employed youth, as most of them reported that the main means for finding their current job employment were through family and relative connections, friends, or direct application to the employer.

About 13 per cent of unemployed youth registered with the employment services as jobseekers, and more than 87 per cent of them reported that the employment services mainly did not provide them any information/advice on job search methods, on vacancies available or on vocational training.

Only 6 per cent of the unemployed youth planned to go back to school and about 29 per cent of them considered the education they attained as somewhat useful.

The main determinants of youth unemployment (as self-assessed) are as follows: 78 per cent of the unemployed youth reported that the main obstacle in finding a job was “not enough jobs available”, while illiteracy and the education level required for employment came a distant seconds (4 per cent and 6 per cent, respectively). Such perceptions are somehow confirmed by the data gathered in the employers’ survey. The number of current vacancies in the companies surveyed is very low (more than 90 per cent of the employers indicated that there were no vacancies) and the general economic climate is not conducive to job creation. However, employers indicated work experience as the most important determinant in job recruitment (44 per cent), with level of education coming second (30 per cent).

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The job application and job interview rate of young jobseekers also shed light on the attitude of youth in finding work opportunities. Less than 29 per cent of unemployed respondents applied to at most three vacancies or more. The job interview rate was much lower as only 19 per cent of respondents were called to at most three interviews.

About 13 per cent of the unemployed youth had refused job offers, and more than half of them indicated that the reason of refusing the job offer was that the wage offered was too low.

### 3.7.4 Outside of the labour force (inactive youth)

Inactive youth, e.g. not in the labour force (neither employed nor jobseekers) and not attending school were 34 per cent of total youth surveyed. As expected, 89 per cent of the youth outside of the labour force were young women. The per cent of the youth outside of the labour force in rural areas is much higher than that of urban areas (65 per cent and 35 per cent, respectively). The majority of the inactive youth were in the age cohort 25-29 (43 per cent).

The main reasons of youth inactivity among males was health status (63 per cent). Inactive females, on the other hand, had several reasons for remaining outside of the labour market: “housework duties” (41 per cent), “no job opportunities are available” (31 per cent), “family refusal of female work” (36 per cent), “for marriage” (31 per cent), and for childcare (32 per cent).

Only 25 per cent of the inactive youth were planning to work in the future, with more than half of them planning to do that within six months. The majority of these youths will use the family and friend connections, and direct applications to employers as the main methods for job search.

## 4. Stages of transition

The main objective of this chapter is to analyze the main determinants of the young men and women’s school-to-work transitions in Egypt. This chapter also explores the characteristics of youth in the different stages of transition and the factors behind easy and difficult transitions.

### 4.1 School-to-work transition in Egypt

To capture the difficulties young people may have in transiting from school to decent work, the ILO has developed a *school-to-work transition* concept, defined as the passage of a young person (aged from 15-29) from the end of schooling to the first “career” job or “regular” job. Career job is a subjective concept, based on the self-assessment of the jobholder, and it implies a job that the respondent considers to “fit” to his/her desired career path. The contrary is termed as a “non-career” job, implying a sense of dissatisfaction about the job and the likelihood that the young person has taken it because s/he lacked a better option. Regular job is defined in terms of duration of contract or expected length of tenure; the contrary is a temporary job, or a job of limited duration or lacking a contract. The main objective of this chapter is to quantify the relative ease or difficulty of labour market entry of young people as they first exit school. Other objectives include identifying the explanatory factors behind “easy” or “difficult” transitions so that policies can be developed and initiated that aim to maximize easier paths of transition.

The basic statistical unit that the survey aims to measure is the school-to-work transition of a young person. The youths interviewed in this survey were classified into three categories representing the school-to-work transition stages. The first category is termed “transited youth”, meaning those who have completed the transition and including all young persons who are currently employed in a career job or a regular job. The second category is termed “youth in-transition”, and it encompasses all young persons who are currently unemployed, currently employed in non-career or temporary jobs, or currently inactive and not in school with an aim to look for work later. The third category is “youth who have not yet started the transition”, which consists of all young persons who are either still in school or currently inactive and not in school with no intention of looking for work. A person who is in school and at the same time holding a career or regular job is considered transited.

Table 4.1 shows the percentage distribution of youth by sex, age, and geographical area according to transition stage. As shown in this table, only 17 per cent of respondents had completed the transition from school to work, e.g. were employed in a career or regular job with no immediate plan to change their current job. More than one-quarter of respondents (26 per cent) were still in transition, e.g. were either unemployed, or employed in a non-career or temporary job or inactive, but planning to work later. The majority of respondents (57 per cent) had not started their transition, e.g. were still in education or were inactive and not in school, with no intention to work.

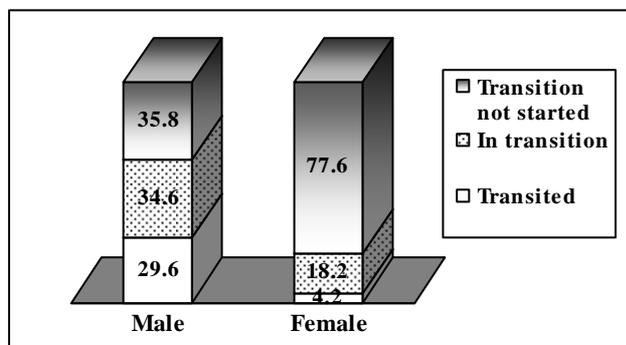
**Table 4.1 Transition stages**

Background characteristic	Transition stage			Total
	Transited	In transition	Transition not started	
<b>Sex</b>				
Male	87.2	64.8	30.8	49.1
Female	12.8	35.2	69.2	50.9
<b>Age group</b>				
15-19	10.2	18.6	53.1	36.9
20-24	25.4	45.9	25.7	31.0
25-29	64.3	35.5	21.2	32.2
<b>Urban-rural residence</b>				
Urban	42.8	47.8	48.2	47.2
Rural	57.2	52.2	51.8	52.8
Total	16.7	26.2	57.1	3,510.0
Number	586	921	2,003	3,510

The school-to-work transition distribution with respect to sex is characterized by the high percentages of inactive females (not yet transited) and jobseeker males (in transition). The majority of youth transited are males (87 per cent), the majority of youth in-transition were males (65 per cent), while the majority of youth not yet transited were females (69 per cent).

Figure 4.1 shows the distribution of males and females according to the different transition stages. As shown in this figure, out of the total male respondents, 30 per cent had transited, 35 per cent were still in transition, while 36 per cent had not yet started the transition. On the other hand, only 4 per cent of female respondents had transited, 18 per cent were still in transition, while 78 per cent had not started the transition yet. As expected, the data of this survey illustrate a large gender discrepancy in the transition from school to work. Many more young women than men have not initiated their transition, while more men than women are transited or in transition. This is partly due to the lower participation of young girls and to the fact that young women have more difficulties than men to find a permanent career position.

**Figure 4.1 Distribution of respondents by sex and transition stage**



With respect to age groups the majority of transited respondents were in the age group 25-29 (64 per cent), the majority of in transition respondents were in the age group 20-24 (46 per cent), while the majority of not yet transited respondents were in the age group 15-19 (53 per cent). The

results by age group are not surprising since within the lower age band, young people are likely to still be in school and thus not yet started the transition. Then as the youth ages, s/he will have more experience in the labour market and, presumably, eventually find a satisfactory job. The data of this survey indicated that there are no significant differences between the percentage of youth in the rural and urban areas with respect to each of the transition stages, as shown in figure 4.2.

**Figure 4.2 Distribution of respondents by geographical area and transition stage**

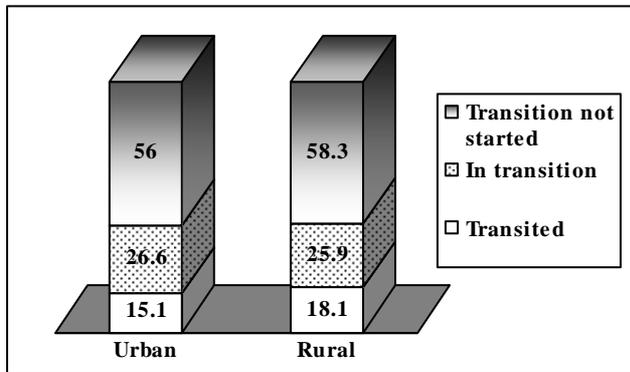
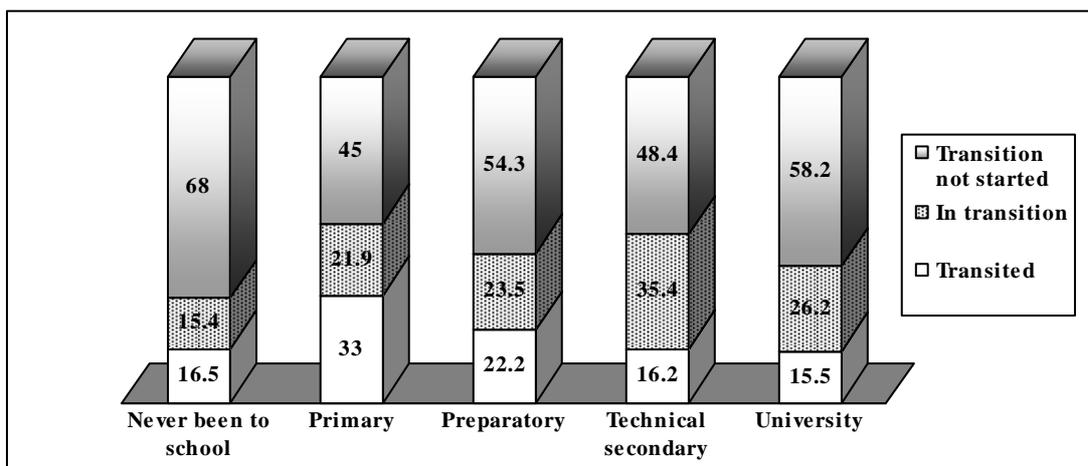


Figure 4.3 shows the distribution of youth according to educational level by the transition stages. As shown in this figure, the percentage of youth who had not yet started the transition who had no schooling is very high. The highest percentage of transited youth is associated with those who attained primary-level schooling only (33 per cent). The highest percentage of in-transition youth is associated with attainment of technical secondary school, followed by attainment of a university degree (35 per cent and 26 per cent, respectively). Generally speaking, the results confirm that the educational attainment does not guarantee a smooth transition; according to the data collected in this survey, it is not the case that the higher the education level the higher the possibility of being employed.

The age distribution of transition shows that many young respondents were continuing their education, but the higher education level does not as yet guarantee a smooth transition since as many as 39 per cent of the 20-24 age cohort were still in transition, while only 14 per cent of this age cohort had transited.

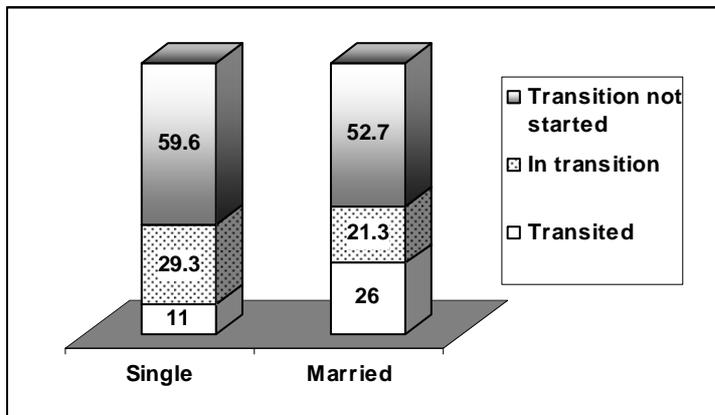
**Figure 4.3 Distribution of respondents by educational level and by transition stage**



Figures 4.4 and 4.5 give the youth transition distribution according to the marital status and household average monthly income, respectively. A married youth was more likely to be transited compared to a single youth and a single youth was more likely to be in transition compared to a married youth. With respect to the household average monthly income, there was very little variation in the distribution of transition stages by income level. However, there is evidence to show that a

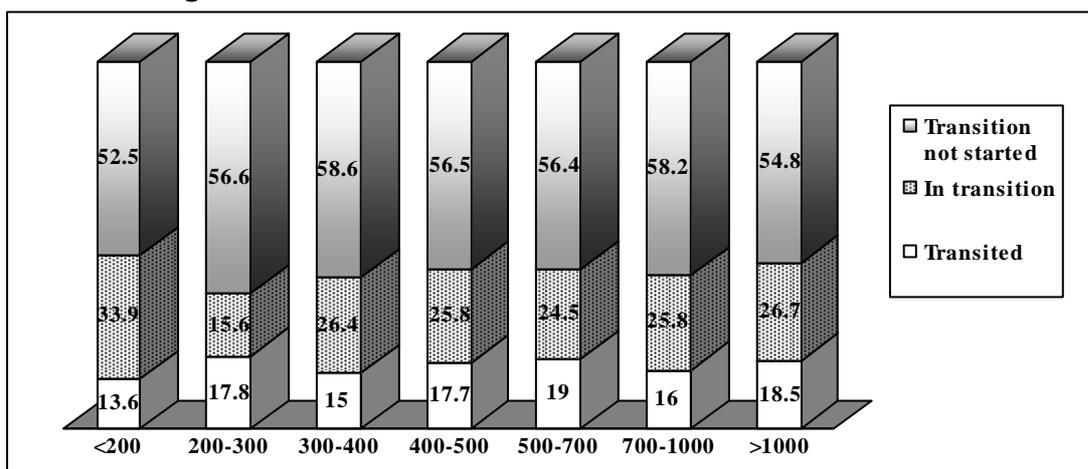
young person belonging to a household with very low monthly income (less than LE 200) was more likely to be in transition and less likely to be transited compared to a young person belong to a household with higher monthly income.

**Figure 4.4 Distribution of respondents by marital status and transition stage**



The following sections investigate the most important factors affecting the youth within each transition stage.

**Figure 4.5 Distribution of respondents by household average monthly income and transition stage**



## 4.2 Youth who have not started the transition

This section examines characteristics and structure of young people identified as not transited, i.e., young people who were still in school or were inactive and not intending to look for work. Table 4.2 shows the distribution of “transition not started” youth by different background characteristics. As shown in this table, among respondents who were still in school, the majority were males (56 per cent), in the age group 15-19 (82 per cent), and residents of urban areas (61 per cent). Among respondents who were out of the labour force with no intention to look for work, the clear majority were females (98 per cent), in the age group 25-29 (44 per cent), and residents of rural areas (66 per cent).

**Table 4.2 Youth who had not yet started the transition by sex, age group and urban/rural residence**

Background characteristic	In school	Inactive	Total
<b>Sex</b>			
Male	55.9	2.4	30.8
Female	44.1	97.6	69.2
<b>Age group</b>			
15-19	81.5	21.0	53.1
20-24	17.6	34.8	25.7
25-29	0.8	44.2	21.2
<b>Urban-rural residence</b>			
Urban	60.6	34.3	48.2
Rural	39.4	65.7	51.8
Number	1,061	942	2,003

Table 4.3 shows the distribution of inactive respondents with no intention to look for work by the reason for inactivity. The number of inactive males was very small and did not allow for a meaningful analysis. The majority of inactive females reported several reasons for inactivity, including engaging in household duties (41 per cent), the family had refused to allow her to work (35 per cent), lack of employment opportunities (32 per cent), childcare responsibilities (31 per cent), and marriage (31 per cent). According to age group, the majority of respondents in the age group 15-19 reported that the reason for inactivity was the family's refusal to allow them to work (53 per cent); the majority of respondents in the age groups 20-24 and 25-29 reported the household duties as a reason for inactivity (40 per cent and 44 per cent, respectively). According to geographical areas, the majority of urban and rural residence respondents reported household duties as a main reason for inactivity (39 per cent and 40 per cent, respectively). More respondents in rural than urban areas reported the family's refusal to allow them to work as a reason for inactivity (36 per cent for rural versus 29 per cent for urban). On the contrary, more respondents in urban than rural areas reported lack of job opportunities and childcare as reasons for inactivity.

**Table 4.3 Inactive youth by reason for inactivity and sex, age group and urban/rural residence**

Reason	Sex		Age group			Residence		Total
	Male	Female	15-19	20-24	25-29	Urban	Rural	
No financial need	4.3	2.2	1.0	1.8	3.1	2.8	1.9	2.2
No job opportunities	21.7	32.1	29.3	33.8	31.5	37.5	28.9	31.8
Family's refusal to allow work	0.0	34.8	52.5	30.8	27.6	29.4	36.3	34.0
Marriage	0.0	30.6	17.7	33.8	32.5	31.3	29.1	29.8
House work	0.0	40.7	30.8	39.6	44.0	39.3	39.9	39.7
Child care	0.0	31.2	5.6	30.5	42.3	35.0	28.1	30.5
Health status	43.5	1.1	3.0	1.5	2.2	3.1	1.6	2.1
Military service	13.0	0.0	0.0	0.9	0.0	0.0	0.5	0.3
Don't believe in work	8.7	7.4	8.6	6.7	7.5	7.7	7.3	7.4
Other	13.0	0.0	0.5	0.6	0.0	0.0	0.5	0.3
Number	23	919	198	328	416	323	619	942

Table 4.4 presents the distribution of inactive respondents with no intention to look for work by educational level. The majority of inactive persons who attained preparatory education or less reported the family's refusal to allow them to work, thus reflecting the continuing societal prejudice against female labour force participation in the country, and household duties as reasons for inactivity. In contrast, inactive youth with higher educational attainment (either technical secondary level or university) were more likely to be inactive due to a perception that there exist no job opportunities. This result adds evidence to a severe lack of employment opportunities for educated youth.

**Table 4.4 Inactive youth by reason of inactivity and education level**

Reason	Never been		Technical				Total
	to school	Primary	Preparatory	secondary	University	Other	
No financial need	1.9	0.9	2.0	3.2	2.7	0.0	2.2
No job opportunities	25.3	20.8	20.6	40.9	49.3	40.0	31.8
Family's refusal to allow work	42.5	41.5	38.2	24.9	27.4	22.9	34.0
Marriage	22.4	27.4	28.4	35.8	34.2	45.7	29.8
House work	47.4	44.3	41.2	32.6	27.4	45.7	39.7
Child care	24.4	35.8	34.3	32.6	38.4	25.7	30.5
Health status	2.6	2.8	2.0	0.6	1.4	2.8	2.1
Military service	0.6	0.0	1.0	0.0	0.0	0.0	0.3
Don't believe in work	8.8	7.5	7.8	5.8	9.6	5.7	7.4
Other	0.0	0.0	1.0	0.6	0.0	0.0	0.3
Number	308	106	102	313	73	40	942

Table 4.5 presents the distribution of in-school youth according to future plans by background characteristics, and education level. The future plan after completing the current education level for the majority of in-school male respondents was to seek a job (61 per cent), while the majority of in-school female respondents planned to go for additional education/training (49 per cent). With respect to age, the majority of in-school respondents in the age group 20-24 reported seeking a job as their main future plan (74 per cent). About half of the in-school respondents in the age group 15-19 were planning to search for work and the rest of them to continue their education. With respect to geographical area, the majority of in-school respondents in both rural and urban areas will seek a job after finishing their current education level. Finally, with respect to education level, the majority of respondents in general secondary education and preparatory education were planning to continue their education and go to higher educational levels, while the majority of respondents in technical secondary education and higher education were planning to look for work after finishing the current education level.

**Table 4.5 In-school youth by future plans and sex, age group, urban/rural residence and education level**

Future plans	Sex		Age group			Residence		Education level					Total
	M	Fe	15-19	20-24	25-29	Urban	Rural	Prep- aratory	Secon- dary	Technical secondary	Univ- ersity	Other /training	
Complete additional education	37.8	49.4	47.9	20.3	33.3	42.8	43.1	69.2	79.0	32.4	23.0	34.4	42.9
Stay at home for personal or family reasons	0.0	9.2	3.8	4.8	11.1	2.8	6.0	4.6	0.4	8.8	2.9	9.4	4.1
Work with family	0.7	0.0	0.5	0.0	0.0	0.3	0.5	0.0	0.0	0.4	0.7	0.0	0.4
Seek a job	61.0	41.5	47.6	74.3	55.6	53.8	50.2	26.2	20.3	58.1	73.2	56.3	52.4
Other	0.2	0.0	0.0	0.5	0.0	0.2	0.0	0.0	0.0	0.0	0.2	0.0	0.1
Don't know	0.3	0.0	0.2	0.0	0.0	0.2	0.2	0.0	0.4	0.4	0.0	0.0	0.2
Number	593	468	865	187	9	643	418	65	271	272	421	32	1,061

Table 4.6 gives the distribution of in-school youth according to the most important life goal by background characteristics, and education level. The most important life goal for the majority of in-school male respondents was to work in a decent job (38 per cent), while for the majority of female respondents it was to attain a college degree (28 per cent). With respect to age, the majority of in-school respondents in each age group aspired to a decent job. With respect to geographical area, the life goals of the majority of in-school respondents in rural residences were to work in a decent job and to be successful in life (33 per cent and 28 per cent, respectively), while the life goals of the majority of in-school respondents in urban residences were to attain a university degree and to have a decent job (33 per cent for both). According to education level, the majority of respondents in general secondary education and preparatory education aspired to complete a university grade (46 per cent and 28 per cent, respectively), while the majority of respondents in technical secondary education and university aspired to a decent job (42 per cent and 36 per cent, respectively).

**Table 4.6 In-school youth by life goal and sex, age group, urban/rural residence and education level**

Life goals	Sex		Age group			Residence		Education level					Total
	M	Fe	15-19	20-24	25-29	Urban	Rural	Prep- aratory	Secon- dary	Technical secondary	Univ- ersity	Other education /training	
To be successful in life	18.5	24.8	22.4	17.1	0.0	17.1	27.8	26.2	21.8	23.9	17.8	31.3	21.3
Contribute to society	1.5	0.9	1.2	1.6	0.0	1.1	1.4	1.5	0.7	1.1	1.7	0.0	1.2
Contribute in political life	0.5	0.0	0.3	0.0	0.0	0.2	0.5	0.0	0.7	0.0	0.2	0.0	0.3
To be religious	0.3	0.6	0.6	0.0	0.0	0.5	0.5	1.5	0.0	0.4	0.7	0.0	0.5
Have a lot of money	5.4	1.5	3.8	2.7	11.1	2.5	5.5	7.7	1.5	7.7	1.9	3.1	3.7
Good family life	4.0	12.8	7.6	9.1	11.1	6.2	10.5	9.2	4.4	11.0	8.1	6.3	7.9
Enjoy free time	0.0	1.1	0.6	0.0	0.0	0.5	0.5	0.0	0.7	0.7	0.2	0.0	0.5
A lot of experience in different areas	0.5	1.9	1.3	0.5	0.0	1.4	0.7	1.5	1.5	0.7	1.0	3.1	1.1
Understand life and its objectives	0.0	0.9	0.2	1.1	0.0	0.5	0.2	0.0	0.7	0.0	0.5	0.0	0.4
Life and work in foreign country	4.7	1.3	2.7	5.9	0.0	4.7	1.0	3.1	2.6	1.1	5.2	0.0	3.2
Good job	38.1	25.9	30.8	40.1	66.7	32.5	33.0	21.5	19.6	41.9	36.1	43.8	32.7
Education/ university grade	26.3	28.4	28.6	21.9	11.1	33.0	18.4	27.7	45.8	11.4	26.6	12.5	27.2
Number	593	468	865	187	9	643	418	65	271	272	421	32	1,061

### 4.3 Youth in transition

This section investigates the characteristics and structure of young people identified as in transition, i.e., young people who are currently unemployed, currently employed in a non-career job or a temporary job, or currently inactive and not in school with an aim to look for work later. The distribution of in-transition youth according to the length of the transition period, by background characteristics is given in table 4.7. As shown in this table, the majority of in-transition youth (89 per cent) were in transition for a period of one year or over. Only about 11 per cent of the in-transition youth were in transition for a period of 6 months.

**Table 4.7 Length of in-transition period by sex, age group and urban/rural residence**

Background characteristic	1-4 weeks	1-2 months	3-6 months	7-12 months	> one year	Total
<b>Sex</b>						
Male	0.0	78.4	47.6	100.0	65.4	64.8
Female	100.0	21.6	52.4	0.0	34.6	35.2
<b>Age group</b>						
15-19	0.0	70.3	42.9	50.0	14.2	18.6
20-24	100.0	29.7	55.6	25.0	46.0	45.9
25-29	0.0	0.0	1.6	25.0	39.8	35.5
<b>Urban-rural residence</b>						
Urban	0.0	48.6	65.1	0.0	46.7	47.8
Rural	100.0	51.4	34.9	100.0	53.3	52.2
Total	0.1	4.0	6.8	0.4	88.6	100.0
Number	1	37	63	4	816	921

**Table 4.8 In-transition youth by current activity and sex, age group and urban/rural residence**

Background characteristic	In-transition			Total
	Unemployed	Temporary/ non career employment	Inactive	
<b>Sex</b>				
Male	67.1	84.9	39.3	64.8
Female	32.9	15.1	60.7	35.2
<b>Age group</b>				
15-19	19.1	17.4	19.1	18.6
20-24	52.8	33.6	50.6	45.9
25-29	28.1	49.0	30.3	35.5
<b>Urban-rural residence</b>				
Urban	59.3	41.6	39.3	47.8
Rural	40.7	58.4	60.7	52.2
Total	38.7	32.4	28.9	100.0
Number	356	298	267	921

Table 4.8 gives the distribution of youth in transition according to current status (unemployed, temporary/non-career employment, or inactive), by background characteristics. As shown in this table, 39 per cent of the youth in transition are in the category because they were unemployed, 32 per cent of them were in temporary or non-career employment, while 29 per cent of them were inactive with an aim to look for work later. According to sex, the majority of both unemployed and youth in temporary or non-career jobs were male (67 and 85 per cent, respectively), while the majority of inactive respondents who planned to work later were females (61 per cent). With respect to age groups, the majority of the unemployed were respondents in the age group 20-24 (53 per cent), the majority of respondents in temporary or non-career employment were respondents in the age group 25-29 (49 per cent), and the majority of inactive youth who planned to work later were respondents in the age group 20-24 (51 per cent). According to urban-rural residence, the majority of the unemployed were from urban residences (59 per cent) and the majority of both respondents in temporary or non-career employment and the inactive were from rural residences (58 per cent and 61 per cent, respectively).

As shown in figure 4.6, which shows the distribution of youth in transition according to educational level, youth in transition with no schooling were more likely to be in temporary/non-career job; those who attained primary education were more likely to be unemployed or in temporary/non-career employment; those who attained preparatory education were more likely to be in temporary/non-career employment; those who attained technical secondary education were more likely to be inactive or unemployed; while those who attained university were more likely to be unemployed.

**Figure 4.6 In-transition youth by current activity and education level**

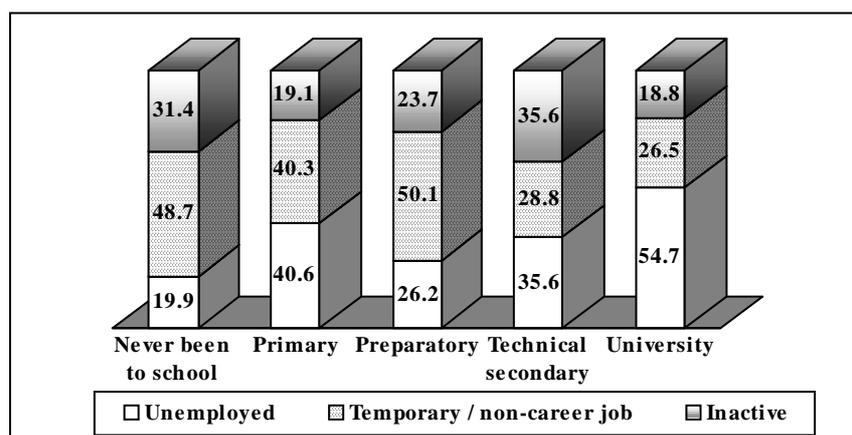


Table 4.9 shows the distribution of in-transition youth according to current status by method of job search. The majority of youth in different transition status reported connections with friends and family/relatives and direct application to employers as the main methods they used/will use for job searching. Except for inactive youth who planned to work later, the percentage of youth using the formal means of job search, such as educational institution and employment offices, was very small. More than 31 per cent of inactive respondents will search for a job using the assistance of the employment/government institution.

**Table 4.9 In-transition youth by current activity and method of job search**

Method of job search	In-transition			Total
	Unemployed	Temporary/ non career employment	Inactive	
Through education/ training organization	2.2	0.3	1.1	1.3
Through employment/GOV institution	8.4	4.4	31.1	13.7
Office for foreign work	0.8	0.0	1.9	0.9
Office for youth work	5.1	1.0	4.1	3.5
Advertisements	17.1	0.7	8.2	9.2
Friends	68.3	39.6	50.2	53.7
Family/relatives	52.0	57.0	45.7	51.8
Workers contactor	8.7	9.1	4.9	7.7
Directly go to organizations	47.5	25.5	40.4	38.3
Other methods	0.3	0.0	0.0	0.1
Number	356	298	267	921

According to the main obstacles identified for finding a decent job shown in table 4.10, 78 per cent of unemployed youth and 60 per cent of respondents in temporary/non-career job reported that their main obstacle was “not enough jobs available”.

Nearly 80 per cent of youth in temporary/non-career employment were categorized as such because they had no legally binding employment contract. The remaining 20 per cent in this category, therefore, were employed persons who indicated dissatisfaction with the current job and a desire to change jobs in the future. The reasons indicated by respondents who wished to change their career included to obtain higher income (64 per cent), to have a job with better working conditions (36 per cent), and/or to have a job with better career path/more promising job (56 per cent) [note: the distribution is greater than 100 per cent because respondents were allowed to select more than one reason]. Over 45 per cent of youth in temporary/non-career employment worked in a company with less than five employees.

**Table 4.10 In-transition youth by current activity and main obstacle**

Main obstacle	Unemployed job seeker	Temporary/ non career employment	Total
<b>Reason for not finding decent work</b>			
Illiteracy	3.9	10.7	7.0
Education not suitable/not needed in labour market	1.4	3.0	2.1
Job opportunities require higher level of education	5.6	4.0	4.9
Job opportunities require higher training	1.7	2.0	1.8
No experience	0.6	5.0	2.6
Not enough job opportunities in Egypt	78.4	60.4	70.2
No obstacle	1.7	9.1	5.0
Other reasons	6.9	5.6	6.3
Number	356	298	654

#### 4.4 Characteristics of a successful transition

The main objective of this section is to analyze the relative ease or difficulty of young people who were in a permanent or career job that they did not wish to change. The analysis aims to identify

the important explanatory factors behind “easy” or “difficult” transitions so that policies can be developed and initiated to improve the transition process where needed.

For a young person who has transited (employed in a regular or career job), the important question is did he/she have an easy or difficult time in getting his/her job. In other words, the analysis in this section considers the period of time between the exit from school to the time of entry in the career/regular job employment. For the purpose of the analysis, the transition period of a young person was classified into the following three transition categories, as defined by the ILO:

- “easy transition”— a young person is classified into this category if before obtaining the current job he/she underwent either a direct transition, a spell of temporary employment of less than one year with no spells of unemployment, or a spell of unemployment of less than 3 months with or without spells of temporary employment.
- “middling transition”— the young person is classified into this category if before obtaining the current job he/she underwent either a spell of temporary employment of between one year and two years with no spells of unemployment or a spell of unemployment of between 3 months and one year with or without spells of temporary employment.
- “difficult transition”— the young person is classified into this category if before obtaining the current job he/she underwent either a spell of temporary employment of two years or over with no spells of unemployment or a spell of unemployment of one year or over with or without spells of temporary employment.

Figure 4.7 shows the distribution of transited youth according to the ease of transition. The transited youth who experienced an easy transition represent 32 per cent of the transited youth, those who experienced a middling transition represents 19 per cent, while those who experienced a difficult transition represents 49 per cent (the majority).

**Figure 4.7 Transited youth by ease of transition**

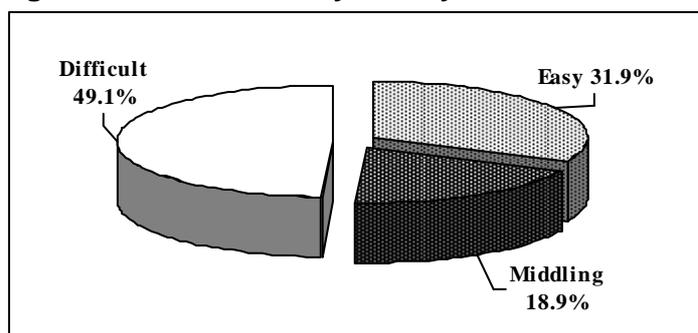
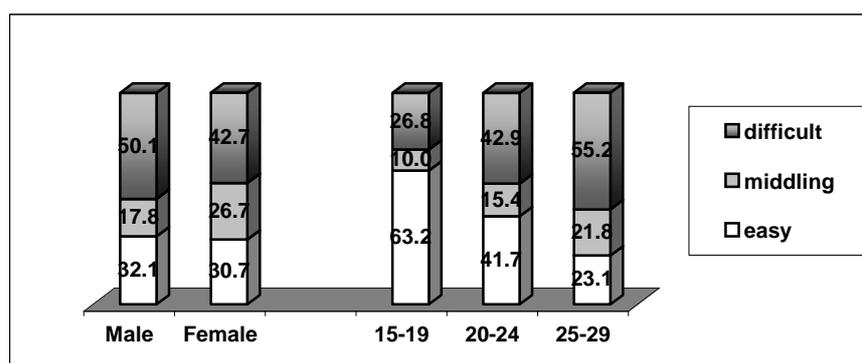


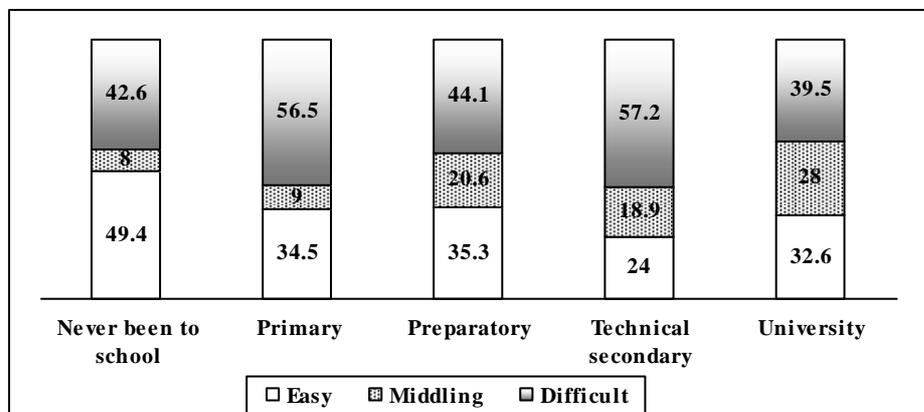
Figure 4.8 presents the distribution of transited youth according to ease of transition by sex and age. As shown in this figure, there is little gender discrepancy in the ease of transition, as the ease of transition distribution for males is similar to that of females. According to age, however, the discrepancy in the ease of transition is very apparent. The transited youth in the age 15-19 were more likely to have experienced an easy transition, while the transited youth in the age 25-29 were more likely to have experienced a difficult transition.

**Figure 4.8 Transited youth by ease of transition and sex and age group**



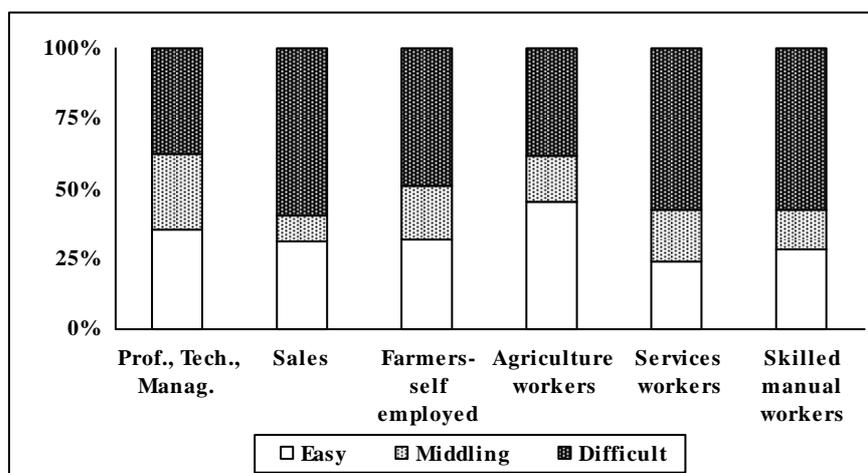
The distribution of transited respondents according to educational level by ease of transition is presented in figure 4.9. The general observation in this figure is that the educational attainment does not guarantee a faster transition. Survey results do not support the argument that the higher the education level, the “easier” the transition to decent work.

**Figure 4.9 Transited youth by educational level and ease of transition**



The distribution of transited youth according to occupation by ease of transition is shown in figure 4.10. As shown in this figure, the majority of employed youth in the agriculture sector had experience an easy transition, while the majority of transited youth in all other occupations had experienced a difficult transition. The difference here is likely to reflect the lack of demand for skilled labour as opposed to unskilled labour (likely to be found in the agricultural sector).

**Figure 4.10 Transited youth by occupation and ease of transition**



The distribution of transited youth according to industry by ease of transition is given in figure 4.11. As shown in this figure, the youth who had been the least likely to have had a difficult transition were those employed in the education sectors. A considerable percentage of transited youth working in the agriculture/ fishing sector experienced an easy transition. The majority of transited youth working in other sectors underwent a difficult transition. Generally speaking, the results show that the higher-skills jobs/occupations entail a more difficult transition. This might be attributed to the fact that the selection process for higher-skills jobs/occupations is more exacting than that of low skill jobs/occupations. This result agrees with the results of the employer survey.

**Figure 4.11 Transited youth by industry and ease of transition**

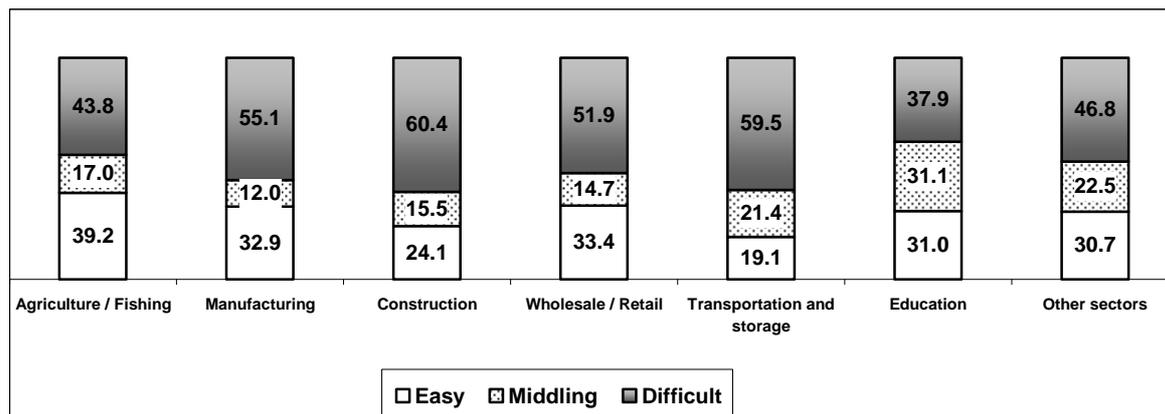


Figure 4.12 shows the distribution of transited youth according to their current status in employment by ease of transition. As shown in this figure, the paid employees tended to experience while the transitions of the self-employed and unpaid workers were more likely to have been difficult.

**Figure 4.12 Transited youth by status in employment and ease of transition**

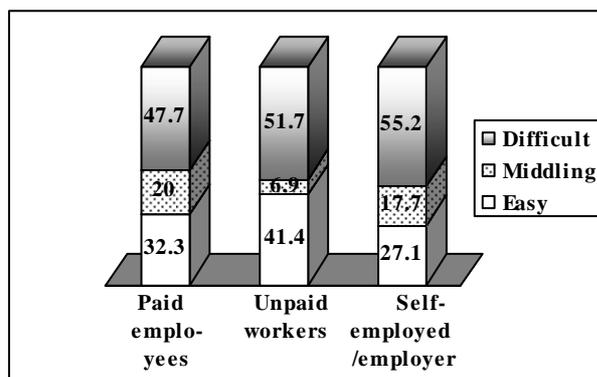


Figure 4.13 gives the distribution of transited youth according to their employment in the formal or informal by ease of transition. Remember, the youth is considered an informal worker if he/she is working in an enterprise with number of workers less than or equal to five. As shown in this figure, more formal workers experienced an easy or middling transition than did informal workers. The result may seem surprising; however, it could be an indication that after a long period of searching for work and/or undertaking temporary work, the young person is likely to resort to employment in the informal economy as an only option for gaining a steady income.

**Figure 4.13 Transited youth by formal and informal\* economy and ease of transition**

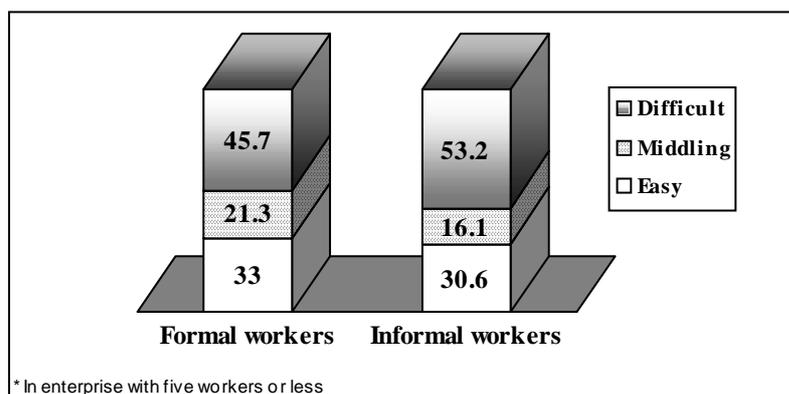


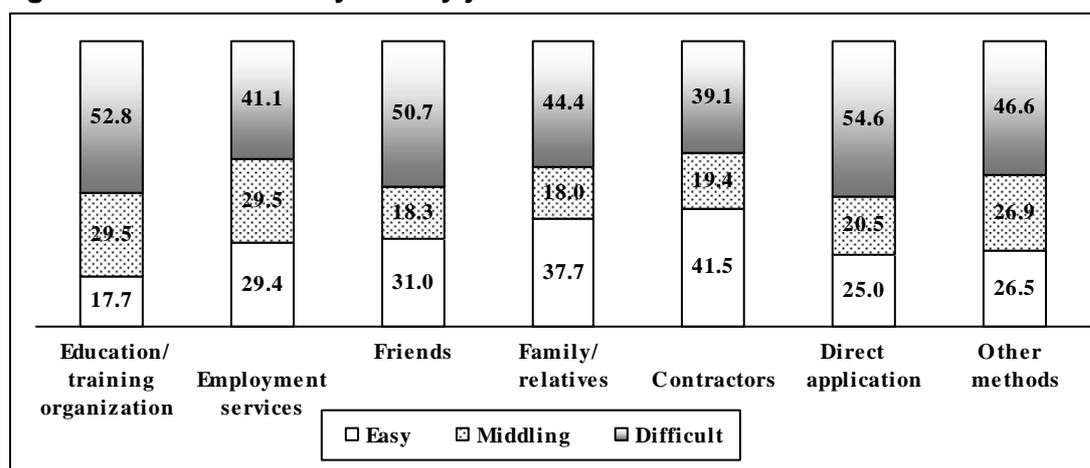
Table 4.11 gives the distribution of ease of transition by the job search method. In general, the majority of transited youth found the current job through the friends or family network. Those who found employment through work contractors, family or friends experienced easier transitions than those who used other job search method, as shown in figure 4.14.

The above analysis reflects a mixed story on Egyptian young people's work opportunities. On one hand, more Egyptian youth are educated and they tend to stay longer in school than ever before. On the other hand, youth in Egypt in the current generation carry the largest burden of unemployment. Their transition from school to work is a daunting process. Moreover, for those who are transited, their transition process has taken a very long time and there is little reason to expect the process to ease for future jobseekers. The situation is worse for young women than young men, with unemployment rates of young women three times that of young men. Also, survey results confirm that their transition from school to decent work is much more difficult than that of young men, in part due to social and cultural constraints that favour female involvement in non-economic activities (household duties and childrearing, for example) to the exclusion of labour market involvement.

**Table 4.11 Transited youth by method of job search and ease of transition**

Sector	Ease of transition			Total
	Easy	Median	Difficult	
<b>Method of job search</b>				
Through education/training organization	1.6	4.5	3.1	2.9
Through employment/GOV institution	9.6	16.2	8.7	10.4
Office for foreign work	0.0	0.0	0.7	0.3
Office for youth work	0.0	0.9	0.7	0.5
Advertisements	2.1	2.7	1.0	1.7
Friends	35.3	35.1	37.5	36.3
Family/relatives	48.1	38.7	36.8	40.8
Workers contactor	8.0	6.3	4.9	6.1
Directly go to organizations	17.6	24.3	25.0	22.5
Total	31.9	18.9	49.1	586.0
Number	187	111	288	586

**Figure 4.14 Transited youth by job search method and ease of transition**



## 5. Creating jobs for young people: The employers perspective

This chapter explores the views of a sample of 347 employers (16 females and 331 males) running business in different economic sectors regarding their perception of employing young people, the preparedness of young applicants, and other issues related to creating jobs for young people. The employers' sample included enterprises which belong to both the formal and informal economies

running business in different type of economic sectors, including manufacturing, construction, wholesale and retail trade, agriculture, and others.

## 5.1 Characteristics of enterprises

In general, most of the companies running business in Egypt are private enterprises that are family-based with a low presence of paid employment. In the current employers' sample, most of the companies operated in manufacturing (63 per cent), in wholesale/retail/marketing (16 per cent), in the provision of social and personal services (13 per cent) and in tourism/hotels/restaurants (4 per cent). Table 5.1 shows the distribution of employers by sector and the number of employees.

**Table 5.1 Employer by sector and number of employees**

Sector	Number of workers					Total
	<6	6-25	26-50	51-150	>150	
<b>Economic activity</b>						
Agriculture/Fishing	1.0	0.0	0.0	0.0	6.3	0.9
Petroleum/Mining	0.0	2.1	2.9	2.9	6.3	2.0
Manufacturing	47.1	57.9	85.3	88.2	81.3	62.5
Construction	0.0	0.0	2.9	0.0	0.0	0.3
Wholesale/Marketing/Retail	26.5	17.9	5.9	2.9	0.0	16.1
Brokerage/Real estate	0.0	0.7	0.0	0.0	0.0	0.3
Transportation/Telecommunication	1.0	0.7	0.0	0.0	0.0	0.6
Tourism/ Hotels/ Restaurants	5.9	4.8	0.0	0.0	0.0	3.7
Personal/Social services	17.6	15.9	2.9	0.0	6.3	12.7
Computers/information	1.0	0.0	0.0	2.9	0.0	0.6
Education	0.0	0.0	0.0	2.9	0.0	0.3
Number	102.0	145.0	34.0	34.0	32.0	347.0

More than 60 per cent of the employers were running their current business for at least 10 years. With respect to enterprises' ownership, the majority of enterprises (48 per cent) were owned by the employer, 24 per cent were family business, while 21 per cent were private projects owned by local citizens. Table 5.2 shows the distribution of employers by type of enterprise's ownership and the number of employees in enterprise.

The majority of employers reported that they sell their business' products/services to individuals or households (71 per cent), to traders and small businesses (44 per cent), or large shops and enterprises in the local market (30 per cent). A very small percentage of the employers reported that they export their products to the international market (11 per cent). A small percentage of surveyed employers were members of trade associations or employer groups (24 per cent), and most of the employers reported that their employees do not belong to trade/workers union (84 per cent).

**Table 5.2 Employer by type of enterprise and number of employees**

Type of ownership	Number of workers					Total
	<6	6-25	26-50	51-150	>150	
Single ownership	77.5	51.0	17.6	14.7	9.4	48.1
Family business	14.7	31.0	35.3	20.6	12.5	23.9
Governmental project	0.0	0.0	2.9	5.9	15.6	2.3
Private project for local citizens	6.9	14.5	44.1	47.1	46.9	21.3
Private project for foreigners	0.0	2.1	0.0	5.9	3.1	1.7
Partnership	0.0	0.7	0.0	5.9	9.4	1.7
Joint venture	0.0	0.0	0.0	0.0	3.1	0.3
Non-profit organization	1.0	0.0	0.0	0.0	0.0	0.3
Other	0.0	0.7	0.0	0.0	0.0	0.3
Number	102.0	145.0	34.0	34.0	32.0	347.0

The majority of employers reported that the most important constraints they face in running their enterprise/business were one of the following problems: the continual rising costs of production (47 per cent), high taxation (42 per cent), or restrictive legal regulations/routine (27 per cent).

## 5.2 Recruitment of young people (matching expectation)

At the time of the survey, only 10 per cent of interviewed employers had vacancies available. As compared to the number of workers in the previous year, 69 per cent of the employers had the same number of workers, 20 per cent had more workers, while 11 per cent had less workers.

With respect to sex, more than 67 per cent of the employers indicated that they have at least one male partner, while only 14 per cent reported that they have at least one female partner. 64 per cent of the employers reported that they do not have paid female workers. These figures confirm the large gender discrepancies in employment.

With respect to age the percentage of workers in the age range 15-29 was about 53 per cent, meaning young workers were more prevalent than older workers in the surveyed enterprises. Finally, with respect to type of occupation, 22 per cent of the workers in the employers' sample were recruited in professional/managerial occupations, while 71 per cent were recruited in production/manual occupations.

The hiring age preferences of employers for professional/managerial posts differed from that of production/manual posts; hirers of production/manual workers preferred younger workers in the age range of 15-29 (65 per cent), while only 21 per cent of the employers preferred younger workers in professional/managerial posts. Table 5.3 shows the distribution of employers according to the preferred hiring age by occupation and by economic sector.

**Table 5.3 Preferred hiring age by industry and occupation**

Industry	Professional/administration				Production/manual				Number	
	15-29 years	> 29 years	No preference	NA	< 15 years	15-29 years	> 29 years	No preference		NA
<b>Economic activity</b>										
Agriculture/Fishing	66.7	33.3	0.0	0.0	0.0	100.0	0.0	0.0	0.0	3
Petroleum/Mining	28.6	28.6	42.9	0.0	0.0	71.4	14.3	14.3	0.0	7
Manufacturing	22.6	19.4	23.5	34.6	0.5	68.2	10.1	20.7	0.5	217
Construction	100.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	1
Commercial/Marketing/ Retail	23.2	5.4	16.1	55.4	0.0	57.1	0.0	17.9	25.0	56
Brokerage/Real estate	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	100.0	1
Transportation/Telecomm unication	50.0	0.0	50.0	0.0	0.0	0.0	0.0	50.0	50.0	2
Tourism/ Hotels/Restaurant	7.7	23.1	23.1	46.2	0.0	69.2	7.7	15.4	7.7	13
Personal/Social services	4.5	9.1	15.9	70.5	0.0	56.8	0.0	15.9	27.3	44
Computers/information	50.0	50.0	0.0	0.0	0.0	50.0	0.0	0.0	50.0	2
Education	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	100.0	1
Total	20.7	16.1	21.6	41.5	0.3	64.6	6.9	19.0	9.2	347

With respect to sex, 34 per cent of the employers preferred to hire men in professional/managerial occupations and 69 per cent of them preferred to hire men in production/manual occupations. Only 3 per cent of the employers preferred to hire women in professional/managerial occupations and 4 per cent in production/manual occupations. About 22 per cent and 15 per cent of the employers do not have sex preference in recruiting applicants in the professional/managerial occupations and the production/manual occupations, respectively. Table 5.4 shows the distribution of employers according to the sex preference in hiring applicants by occupation and by economic sector. Thus, despite the fact that employers hiring preferences are for younger workers, finding a job remains very difficult especially for women, who are rarely preferred to male workers. This situation confines working women to marginal and segregated jobs.

**Table 5.4 Preferred hiring sex by industry and occupation**

Industry	Professional/administration				Production/manual				Number
	Male	Female	No pre-ference	NA	Male	Female	No pre-ference	NA	
<b>Economic activity</b>									
Agriculture/Fishing	100.0	0.0	0.0	0.0	66.7	33.3	0.0	0.0	3
Petroleum/Mining	42.9	0.0	42.9	14.3	71.4	0.0	28.6	0.0	7
Manufacturing	39.6	3.2	23.0	34.1	70.5	5.5	20.3	3.7	217
Construction	0.0	0.0	100.0	0.0	100.0	0.0	0.0	0.0	1
Commercial/Marketing/Retail	28.6	1.8	14.3	55.4	66.1	3.6	5.4	25.0	56
Brokerage/Real estate	0.0	0.0	100.0	0.0	0.0	0.0	0.0	100.0	1
Transportation/Telecommunication	0.0	0.0	50.0	50.0	0.0	0.0	0.0	100.0	2
Tourism/Hotels/Restaurants	30.8	7.7	7.7	53.8	84.6	0.0	7.7	7.7	13
Personal/Social services	9.1	0.0	20.5	70.5	68.2	0.0	4.5	27.3	44
Computers/information	50.0	0.0	50.0	0.0	0.0	0.0	50.0	50.0	2
Education	0.0	0.0	0.0	100.0	0.0	0.0	0.0	100.0	1
Total	33.7	2.6	21.6	42.1	68.9	4.3	15.3	11.5	347

Due to the large number of people available to work, unsurprisingly employers do not report to have problems in recruiting workers with adequate qualifications (81 per cent). The labour market in Egypt is clearly a buyers' market, with employers benefiting from an excess supply of labour.

As compared to the preferred methods of job searching among youth, employers rely on almost the same recruiting means for filling vacancies when hiring for manual or professional positions. For the latter, relatives/friends of owners or employees, advertising, and promoting existing employees are the preferred methods of finding new staff (29 per cent, 24 per cent, 14 per cent, and 9 per cent, respectively). For filling manual positions, the use of informal methods is even more present, as employers fill vacancies using relatives/friends of employees (68 per cent), relatives/friends of owners (36 per cent), advertisements (13 per cent) and the public employment services (7 per cent). Such level of informality in recruiting practices poses serious concerns of efficiency (it is unlikely that the best person for the job is actually recruited) and of equity (the lack of information on vacancies implies that most youth are left out from hiring circuits).

According to employers' opinion, when youth are looking for a job they are mainly concerned with pay (80 per cent of the employers ranks job pay as first) and steady job/secured job (49 per cent of the employers rank job security as second).

### 5.3 Education and training

Jobseekers without a prior employment history are seen as a risk by employers since they do not place much trust in the education system, with its lack of a tested certification system, to provide the jobseekers with the skills they seek. Regardless, the results of this survey show that the majority of employers still have a high expectation for jobseekers in the professional/managerial occupations with respect to their education level. The majority of employers prefer to hire applicants with university degrees in the professional/managerial occupations (45 per cent). As for the production/manual occupations, 40 per cent did not have any education level preference at all in hiring people, while 37 per cent preferred to hire applicants with high school/technical secondary diploma. However, lack of practical knowledge was considered the main problem with recruiting new graduates. Lack of work experience especially when combined with low skills, therefore, serves as a barrier to employment entry for school leavers.

**Table 5.5 Preferred education level for hiring workers**

Educational attainment	Manual posts	Professional posts
Primary education	6.6	0.3
Technical secondary	19.6	1.7
High school	17.6	7.8
University education	12.9	45.0
No education preference	40.1	4.3

The assessment of young workers' or job applicants' skills provided by the employers is given in table 5.6. The level of satisfaction of employers with their young recruits was generally fair (66 per cent) even though the ability of young applicants to apply knowledge learned at school was deemed poor by 41 per cent of employers and fair by 37 per cent. Also, the practical training provided to young applicants at school was viewed as poor by 48 per cent of employers and fair by 42 per cent. With respect to the required technical skills needed for the job, 51 per cent of employers described the required technical skills of the young applicants as fair.

**Table 5.6 Young workers' or young applicants' skills assessment by employers**

Skill	Very Good	Fair	Poor
Required technical skills	18.2	50.5	31.3
Practical training at school	10.1	42.4	47.5
Communication skills	38.6	49.4	12.0
Writing skills	39.2	41.0	19.8
Ability to apply knowledge learned at school	22.4	37.0	40.6
Commitment and discipline	62.9	28.9	8.2
Overall preparedness	13.5	66.1	20.5

As mentioned previously in Chapter 2, the Egyptian employers face difficulties recruiting qualified workers, as the training system is failing in many instances to produce skills that are required to perform the jobs. Enterprises are staffed by under-qualified workers, who often lack practical experience. But at the same time, formal training after employment is almost entirely lacking. Only 14 per cent of the employers reported that their employees received training during the previous year, of which 88 per cent was on-the-job training. Of these employers, 50 per cent reported that the training was acquired on equipment at the job site, 62 per cent reported that the training was provided by an enterprise's staff, and 98 per cent indicated that the training fees were provided by the enterprise.

In general, vocational learning and access to training and re-training opportunities is very low in Egypt. The targeting of vocational training is very poor and this may be attributed to the failure of vocational education system in Egypt to prepare young people for employment.

## 5.4 Work experience requirement

Employers often consider young persons unattractive for employment because they lack the skills and experience required. Education systems are often unrelated to the job market demands, resulting in inadequate curricula not corresponding to the competencies required by the labour market. Another important concern for employers is the lack of work experience. Getting initial work experience may be difficult because more often education and training system have not institutionalized entry channels into the labour market or on-the-job learning.

As shown in table 5.7, employers indicated job experience as the most important characteristic in successful applying for a vacancy for manual/production workers and professional/managerial employees (86 per cent and 74 per cent, respectively). Ironically, job experience is exactly what young job-seekers lack. The data collected indicate that only 13 per cent of the transited youth had at least one job before obtaining their current job (see annex). The data also show that only 12 per cent of transited youth worked during their school years. Employers often do not have incentives to hire first-time job seekers and will hesitate to hire them as the return on investment is uncertain. In addition, the initial training of inexperienced young workers can be a huge cost for firms which may not have the financial or human resources to train new entrants. As mentioned above, only 12 per cent of employers provided training to workers.

Access to the first job for young people from poor households may be further impaired by lack of information, resources and family networks associated with low levels of social integration, as well as pressures to take up any job to earn an income.

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**Table 5.7 Most important factor in hiring workers**

Factors	Professional posts	Manual posts
Sex	23.5	68.1
Age	26.0	74.0
Education	52.5	19.1
Marital status	5.4	7.8
Previous training	5.4	23.5
Experience	74.0	85.8
other	13.7	27.9
Number	347.0	347.0

As mentioned previously, the analysis of the collected data shows that higher skill jobs/occupations tend to entail a more difficult transition. The data support that there is an easier transition path for the lesser educated respondents who engage in low-skilled work, such as that in the agricultural sector. The data collected confirm that the selection process by employers is more discerning for the higher skill jobs/occupations, which helps to explain the more difficult transition of youth who choose to stay in school longer. The data show that the demand for low-skilled work remains high; 71 per cent of the job vacancies identified in the employer's sample were for manual occupations with the remaining 22 per cent for professional posts. Unfortunately, the lingering lower demand for higher-skilled workers coincides with a situation in which more and more young people are staying in school and aspire to finish higher education. In short, economic development and modernization within the country have not kept pace with the increases in educational attainment.

## 6. Conclusions and policy recommendations

This chapter summarizes the results of the youth school-to-work transition survey conducted in Egypt. It also gives some concluding recommendations that are meant to spur discussion among policy makers.

### 6.1 Summary and conclusions

In the past decade, Egypt's structural reform efforts have resulted in lower inflation rates, stabilized external debt, and higher GDP. As a side effect, however, the reform efforts have resulted in increased unemployment rates. With an official unemployment rate of 10 per cent in 2004, and a labour force which grew by a million people over the last couple of years, Egypt is facing a formidable employment challenge.

The results of this survey confirm that the seriousness of the national employment problems in Egypt affect youth disproportionately. The analysis of the collected data revealed that only 39 per cent of respondents who were economically active (meaning either working or seeking work) or 17 per cent of total respondents had attained employment that they were more or less satisfied with. Almost 9 out of 10 of those who had transited were male. The remaining 61 per cent of economically active youth – more than one-quarter of total respondents (26 per cent) – were still in a period of labour market transition, meaning they had not yet reached their desired goal for decent employment. Still, the majority of respondents (57 per cent) had not yet started the transition to work because they were still in education or economically inactive and not in school, with no intention to work in the future (respondents in this transition stage were divided almost equally between youth in both situations – in-school or inactive).

As expected, the survey data illustrate the large gender discrepancy in the transition from school to work. Many more young women than men had not initiated their transition, while more men than women were transited or in transition. This is partly due to the lower participation of young women and to the fact that young women have more difficulties than men in finding a permanent career position outside of segregated sectors. The percentage of young women who remained inactive was very high at 89 per cent.

The analysis in this study showed that the educational attainment of youth does not guarantee a smooth transition. In other words, the education level of a young person does not necessarily lead to

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higher possibility of being employed. Nor does being employed mean that the youth have completed their transition and have attained work that is satisfactory to them. Thirty-two per cent of respondents were employed yet categorized as in-transition because they were in temporary employment or not satisfied with their current employment.

The majority of the youth who completed the transition from school to work experienced a difficult transition. The data indicated that about half of the youth who completed the school-to-work transition experienced either a spell of temporary employment of at least two years with no spells of unemployment or a spell of unemployment of one year or over with or without spells of temporary employment. If temporary employment or short spells of unemployment (i.e. a lengthy in-transition phase) could be considered a necessary means of gaining work experience so as to achieve decent employment in the future, then the longer transition period would not be a problem. However, given the current pace of economic growth in the country, it is unlikely that a sufficient number of decent work opportunities will open up to absorb the large numbers of youth still in transition in the near future. What is more likely is that severe competition for job vacancies is likely to continue even after years of “gaining experience”.

The analysis of the employer’s sample magnified the difficulties facing new entrants to the labour market. Among the interviewed employers only 10 per cent had vacancies available. Only 20 per cent of them had more employees at the time of the survey than a year prior. The employers did prefer to hire young applicants (15-29 years old) in production/manual posts but older applicants (29 years and older) in professional/managerial posts, and this difference cannot be entirely explained by the emphasis placed on previous work experience by employers of professional posts because this hiring criteria was equally strong for manual labour. In addition, the survey showed a strong preference toward hiring young men rather than young women, especially in production/manual occupations.

The issue of high unemployment rates has traditionally received much attention from policymakers in Egypt. For decades, youth employment was basically addressed through various public employment guarantee schemes for graduate labour market entrants. In the last decade, however, the employment guarantee schemes have been terminated, in part to liberalize the economy and increase labour market competitiveness. As a result, available employment opportunities for young graduates have declined and the unemployment problem has worsened, particularly for young women. Formal job creation is not forthcoming in Egypt and certainly not at the rate necessary to absorb the increasing youth entrants in labour force.

Access to decent work should be a right for youth and adults alike, whether male or female. Limited employment opportunities at the start of the working career can cause many to become trapped in a vicious cycle of poverty and low productivity. The resulting social exclusion and frustration may lead to socially and personally destructive behaviour, such as committing crime and drug addiction. Other destructive behaviours that youth can engage in include political and religious extremism which can lead to instability. Youth must be viewed as a key asset for Egypt. Creating decent work opportunities will enable young people to make an invaluable contribution to the development of their country. The rest of this chapter introduces some tentative policy recommendations aimed to ease the transition from school to work for young people in a way that aims to maximize their productive potential while providing them a sense of dignity and optimism about their role in society.

## **6.2 Policy recommendations**

This report has revealed major challenges for the Egyptian labour market generally, and the youth labour market specifically, on both the supply and demand sides. Policies aimed at improving the overall quality of education and creating a highly skilled young workforce are needed, but this in itself will not improve labour demand. Demand for labour is influenced by an interaction of many key elements such as investment policies, trade, the business environment, private sector growth, among others. The following generic recommendations cover both supply- and demand-side measures for ensuring more and better jobs for young people in Egypt. They are not intended as a checklist for appropriate action, but rather to serve as a starting point for discussion among policymakers concerning specific national policies and programmes to adopt.

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## Strengthening employability through market relevant education and training:

The current education and vocational training system produces graduates that lack the required work skills. The majority of the employers interviewed in this survey indicated that the young applicants lack the ability to apply knowledge learned at school in work, and described the practical training received as ineffective. The reality of the Egyptian labour market indicates that the links of the education institutions with companies and career guidance are still missing. The credibility of vocational training institutions could be greatly enhanced by establishing strong links with the private sector which will enable these institutions to become more attuned to changing labour market needs. These institutions need to be upgraded and their capacity enhanced to first assess the growth sectors (through, for example, using value chain analysis and research on sectoral and global demand) and second, to adapt their programmes accordingly.

Many measures can be put in place to revitalise existing vocational training structures including curriculum reform, the promotion of high end skills such as information and communication technologies, promotion of entrepreneurial skills along with mentoring support, and establishing practical work experience in companies through internships and apprenticeships. This will contribute to attracting young participants, ensuring graduates have skills that are valued by employers while also introducing students to the private sector (whereas many still hold out for public sector work). It will also make vocational training institutions more effective structures in matching the supply and demand of young people in the labour market.

As has been revealed by the data in the survey, it is also important to ensure equal opportunities for young women in vocational and technical education. Such measures could include reviewing both entry requirements and the range of courses on offer, setting long term targets for balanced gender participation in courses and assessing the style of training structures. Lack of information on courses and opportunities is often a key barrier for women accessing skills training. Vocational training institutions can make greater efforts to recruit young women through publicity and information campaigns.

*Useful ILO resource for further research/discussion:* L. Brewer, “Youth at risk: The role of skills development in facilitating the transition to work”, Skills Working Paper No. 19 (Geneva, ILO, 2004); <http://www.ilo.org/public/english/employment/skills/youth/download/wp19.pdf>

## Improving labour market access and labour market information

The results of this survey point to gaps in youth policies, especially in strategies aimed at easing the entry into the labour force before youth encounter difficulties. The majority of youth indicated that they use informal networking for job search, i.e. word of mouth through friends and relatives, or direct applications to employers. Formal employment organizations, such as employment mediation offices and education/training institutions, are not commonly used by young people seeking work.

Vocational guidance and labour market information play a crucial role in assisting and orienting young people. Many unemployed youth come from communities that experience widespread and inter-generational unemployment. Both public and private labour market information systems including job search assistance and employment counselling need to be strengthened and expanded in outreach. This will entail supplying more up-to-date and relevant labour market and business-related information, such as opportunities for specialized training, continuing education and job placement, as well as information about rights and the required skills and training. More effective and gender-sensitive job-search assistance and placement services for young people are not the sole responsibility of employment services, but also of the education system. It is therefore necessary to activate career guidance and job search counselling starting from lower secondary level up to tertiary education.

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*Useful ILO resource for further research/discussion: P. Thuy, E. Hansen and D. Price, The public employment services in a changing market (Geneva, ILO, 2001);*  
<http://www.ilo.org/public/english/employment/skills/download/pesexsum.pdf>

## Raising labour market demand with targeted policies and programmes

While supply side interventions are important in improving the skills and employability of young people, it will be equally important for the Egyptian Government to develop programmes and policies to increase demand in the labour market. There are many elements which influence demand including trade policies, export potentials, foreign direct investment and private sector dynamism. Improving access to international markets through trade negotiations can reap large benefits in terms of export production and job creation. An economic sector survey needs to be carried out to identify the sectors that have the greatest export potential, and these sectors should be provided with necessary supports in terms of fiscal and financial policies. Higher direct investment is another important means of increasing labour demand, but at the same time Egypt needs to attract greater international investment, particularly high end investment such as information technology and manufacturing. Ensuring that young people are motivated and highly skilled, that labour standards are respected, improving transparency and governance are all important elements in attracting greater external investment.

Policies to improve private sector dynamism are another effective mechanism for job creation. Such policies include tax incentives, greater access to financial capital for businesses of all sizes, streamlining administrative procedures and providing supports for entrepreneurship development (see below).

The ILO has long promoted employment intensive policies, particularly in infrastructure development such as construction, education, health rural/agricultural infrastructure. The approach brings together both private and public operators and has proven to be a critical means of increasing labour demand. Another labour intensive sector that has the potential for expansion is the services sector. New opportunities for employment of young people may be available in areas such as education, health and personal care for the young, the old, the sick and the disabled. ‘Outsourcing’ services for the private sector such as call centres may also have great potential for job creation.

*Useful ILO resources for further research/discussion: Employing youth: Promoting employment-intensive growth (Geneva, ILO, 2000);*

<http://www.ilo.org/public/english/employment/yett/download/employ.pdf>;

A. Bhaduri, “Macroeconomic policies for higher employment in the era of globalization”, Employment Strategy Paper No. 11 (Geneva, ILO, 2005);

<http://www.ilo.org/public/english/employment/strat/download/esp2005-11.pdf>.

## Promoting sustainable entrepreneurship

Many youth in Egypt aspire to public service jobs, yet this sector’s ability to absorb labour market entrants is severely limited. Self employment is a form of job creation that is currently underutilized. While it is important to acknowledge that not every young person who is unable to secure a public or private sector job would necessarily be a capable entrepreneur, there is a need to change perceptions about entrepreneurship development and make it a more attractive option for young Egyptians. Introduction of courses in secondary schools as well as positive portrayals in the media can raise the status and appeal of self employment. The provision of adequate training, mentoring support, access to investment capital and business development services as well as a ‘friendly’ regulatory environment will enable young people to choose self employment and micro-enterprises as viable livelihood options. Survey results showed that the majority of self-employed youth started their activity with their own funds or with financial support coming from family members. Only 2 per cent obtained a loan from a bank. More work, therefore, could be done to ensure in targeting micro-credit to young people who wish to start their own business.

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A policy environment supportive of enterprise development would need to streamline and simplify procedures, avoid delays and cut costs for business start-ups. Such measures can contribute to ensuring start-up enterprises are located within the formal private sector rather than the informal economy. High costs, lack of transparency and complicated administrative procedures push many businesses into the informal economy, resulting in not only decreased public revenue but often decent work deficits such as hazardous and unprotected work, low income, lack of visibility and representation and poor occupational health and safety.

Cultural constraints may inhibit some young Egyptian women from choosing enterprise development, but at the same time the Egyptian informal economy has a large proportion of women. In order to both support equality of opportunity in business development, while also enabling existing informal economy enterprises to grow it is necessary to mainstream existing services so that young women are able to access productive resources including microfinance, business development services, property, entrepreneurship and other skills, information and technology resources. In addition to mainstreaming, it may also be necessary to establish additional targeted interventions to overcome any discrimination in access.

*Useful ILO resources for further research/discussion:* U. Schoof, “Stimulating youth entrepreneurship: Barriers and incentives to enterprise start-ups by young people”, SEED Working Paper No. 76 (Geneva, ILO, 2006); <http://www.ilo.org/public/english/employment/yett/download/seedwp76.pdf>; K. Haftendorn and C. Salzano, “Facilitating youth entrepreneurship, Part I: An analysis of awareness and promotion programmes in formal and non-formal education”, SEED Working Paper No. 59 (Geneva, ILO, 2003); <http://www.ilo.org/public/english/employment/yett/download/sed59pt1.pdf>.

## Ensuring inclusion and equal opportunity

The results of this survey confirmed the serious gap in employment rates and transition to decent work between males and females. While labour force participation rates of women have increased over the last decades this has not necessarily been matched by equity in job quality. In addition, as this survey has shown, demand for female labour on the part of employers is limited; faced with a finite number of job vacancies and a large supply of job applicants, employers opt to hire male applicants over female. The percentage of employed females was very low compared to that of the employed males.

Discussions have often focused on reducing ‘protective’ legislation to ease the burden on employers (in terms of costs) and thus enhance employment opportunities for women. However, such protective regulations, (for example maternity leave) are an important dimension of decent work and in the longer term contribute to greater productivity and less worker turnover. Through tripartite dialogue many countries have found successful ways of sharing the costs of protective regulations between the private sector and governments and trade unions. In other words, the long-term benefits of protective legislations outweigh the costs in the short run. However, it is clear that only strong government enforcement and promotional campaigns will help to change the mindset of businesses.

Evidence is also mounting that increasing equity can produce major economic dividends and contribute towards greater efficiency, poverty reduction and economic growth. (See World Bank, World Development Report 2006: Equity and Development). Conversely, inequality slows economic growth. Active measures to promote equality on the part of Egypt can help to make full use of the country’s human capital and unleash untapped creativity and innovation. There are many short- and long-term measures that can be implemented to address the serious gender discrimination in the labour market that currently exists in Egypt:

- Ratifying and implementing labour standards on equal pay and ending discrimination (part of the ILO’s Fundamental Rights and Principles at Work, these conventions provide guidance on implementation);
- Addressing job segregation, gender stereotyping, including through reforming the education curriculum;
- Increasing education and training opportunities for women, including through setting targets and incentives for courses;

- Providing gender-sensitive career guidance information in schools;
- General awareness raising of the population on the impacts of inequality;
- Profiling successful women business people and professionals as role models;
- Awareness raising of employers including by the International Organization of Employers (IOE) and its Egyptian affiliates so that they are more willing to provide employment opportunities for young women. Investing in young women and men can reap important gains in productivity and innovation;
- Engaging trade unions to play a greater role in giving young people, in particular young women, a voice, through recruiting and representing more young workers;
- Increasing young women's access to productive resources including property, wealth, credit, business development services, information, labour market information systems, etc.;
- Setting gender targets for participation in public and private sector employment intensive schemes and in other active labour market measures;
- Establishing supports to ease women's household responsibilities such as childcare;
- Technical support can be provided to relevant ministries, vocational training institutions and labour market information systems on gender mainstreaming and how these institutions can be transformed to promote equality.

*Useful ILO resources for further research/discussion: Global Employment Trends for Youth (2006 and 2004) and Global Employment Trends for Women (2004); all reports available at <http://www.ilo.org/trends>; Gender Network Thematic Panel on Employment Policies through a Gender Lens for Creating Decent Work; [http://www.ilo.org/dyn/gender/genderevents.details?p\\_lang=en&p\\_category=REC&p\\_event\\_id=136](http://www.ilo.org/dyn/gender/genderevents.details?p_lang=en&p_category=REC&p_event_id=136).*

## Promoting decent employment

Having a job is not the end goal; having a job that offers an employee a decent wage and working conditions while satisfying their sense of contribution, achievement and fulfilment is. Forty-seven per cent of young Egyptian workers indicated plans to change their job in the future in search of higher pay, 27 per cent indicated their will to change in search of better working conditions and 40 per cent would leave to pursue a better career. Clearly, more work needs to be done to improve the conditions of work in many Egyptian enterprises. This can be done, in part, through promotion and enforcement of labour standards.

Labour legislation and regulations based on International Labour Standards (ILS) are critical to provide pathways for decent work for young people. In June 2005, the International Labour Conference acknowledged that while most ILS are applicable to young persons, some are particularly important. This is either because they set out basic conditions required for the creation of good quality jobs or because they contain youth-specific provisions. ILS cover the key issues of educational capacity, enhancing employability, entrepreneurship and the creation of productive jobs for young people. They also lay down important provisions on how young people enter the work force and on their conditions of employment such as minimum age of admission to employment, pay, working time, night work and medical examinations, occupational safety and health, and labour inspection. While the Government of Egypt has ratified a significant number of ILS over the years, there remain a few that are relevant to young people (see website listed below) that remain unratified. Obviously, while ratification is a sign of good intentions on behalf of the government, if enforcement mechanisms are not in place to ensure implementation of labour standards at the enterprise level, then poor working conditions can continue unchecked.

The majority of new entrants in Egypt are entering work in the informal economy. The small-scale enterprises that comprise the informal economy tend to operate in sub-scale operations (although not always) and may be unable to borrow at reasonable costs because they do not have legal status or title to the land they occupy. It may happen that the only option for access to capital is through moneylenders who charge high rates and who may be able to lend only small sums relative to the needs of a growing enterprise. In addition, businesses that operate informally are often afraid to enter the formal legal system, thus depriving themselves of the benefits of fair means to enforce contracts and protect property rights. Workers in the informal economy often work under precarious and poor

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conditions. In short, there is a cost to operating informally not only to employers and employees but also to the economy as a whole which is not maximizing its productive potential.

Local authorities and local offices of central government are vital to decent work development strategies aimed at moving workers, small businesses and other economic units into the formal economy. Side by side with policies to improve the law and its application, the ILO has also placed great importance on the role of associations organizing in the informal economy, in particular trade unions, employers' organizations, cooperatives and microfinance institutions. Freely organized associations for a variety of purposes related to improving working conditions, extending social protection, enlarging employment opportunities and supporting enterprise development have a vital role to play in tackling social exclusion and ensuring the realization of fundamental rights at work.

*Useful ILO resources for further research/discussion:* "International Labour Standards relevant to work and young persons", website:

<http://www.ilo.org/public/english/employment/yett/ilsyoung.htm>; ILO, "Decent work and the informal economy", Report VI, International Labour Conference, 90<sup>th</sup> Session, 2002; <http://www.ilo.org/public/english/employment/infeco/download/report6.pdf>.

## Statistical Annex

### Youth characteristics:

Background characteristic	Sex		Total
	Male	Female	
<b>Marital status</b>			
Single	36.0	23.7	59.7
Engaged/signed contract	1.1	2.4	3.5
Married	11.9	24.0	35.9
Divorced/separated	0.1	0.6	0.7
Widow	0.0	0.1	0.1
Number	1,724.0	1,786.0	3,510.0

Number of members	Total
Up to 4 members	48.5
5 members	21.3
6 members	13.4
7 members	7.1
Over 7 members	9.7
Number of households	5,423

Background characteristic	Sex		Total
	Male	Female	
Average age at first marriage	23.3	19.1	20.5
Number	417.0	844.0	1,261.0

Background characteristic	Total
Have at least one child	60.1
Number	1,081.0

Background characteristic	Sex		Total
	Male	Female	
Since birth	95.0	86.8	90.8
Moved	5.0	13.2	9.2
Number	1,724.0	1,786.0	3,510.0

Background characteristic	Sex		Total
	Male	Female	
<b>Reason for moving</b>			
Left with family	70.1	42.8	50.2
Study/join training course	3.4	0.4	1.2
work/reason related to work	21.8	1.3	6.8
For marriage/with spouse	4.6	55.5	41.8
Number	87.0	236.0	323.0

**Table A7 Respondent education attainment and household income level by activity**

Highest educational level attained	Self-			In		Total
	Employed	employed	Unemployed	school	Inactive	
Never been to school	91.0	18.0	14.0	0.0	330.0	453.0
Primary	87.0	12.0	21.0	0.0	116.0	236.0
Preparatory	85.0	19.0	19.0	65.0	119.0	307.0
Secondary	7.0	0.0	3.0	271.0	18.0	299.0
Technical secondary	273.0	46.0	152.0	272.0	465.0	1,208.0
University	171.0	20.0	122.0	421.0	115.0	849.0
Other education/training	47.0	8.0	25.0	32.0	46.0	158.0
<b>Household average monthly income</b>						
Less than 200	6.2	7.3	7.0	3.3	9.9	6.7
200-300	19.7	15.4	14.0	11.8	23.7	17.9
300-400	25.0	27.6	25.6	22.7	31.8	26.8
400-500	19.6	20.3	20.2	21.2	17.5	19.4
500-700	15.8	15.4	16.0	18.5	9.8	14.6
700-1000	7.9	5.7	8.4	12.4	4.4	8.0
More than 1000	5.1	8.1	7.9	8.4	2.1	5.4
Number	761	123	356	1,061	1,209	3,510

**School-to-work transition:**

**Table A8 Transition stage by educational level**

Background characteristic	Transition stage			Total
	In			
	Transited	transition	not started	
Never been to school	12.8	7.6	15.4	12.9
Primary	13.3	5.6	5.3	6.7
Preparatory	11.6	7.8	8.3	8.7
Secondary	0.3	1.3	14.2	8.5
Technical secondary	33.4	46.4	29.2	34.4
University	22.5	24.2	24.7	24.2
Other education/training	6.0	7.1	2.9	4.5
Total	16.7	26.2	57.1	3,510.0
Number	586	921	2,003	3,510

**Table A9 Ease of transition by age and sex**

Background characteristic	Ease of transition			Total
	Easy	Middling	Difficult	
<b>Sex</b>				
Male	87.7	82.0	88.9	87.2
Female	12.3	18.0	11.1	12.8
<b>Age group</b>				
15-19	20.3	5.4	5.6	10.2
20-24	33.2	20.7	22.2	25.4
25-29	46.5	73.9	72.2	64.3
Total	31.9	18.9	49.1	586.0
Number	187	111	288	586

**Table A10 Transition stage by socio-demographic characteristics**

Background characteristic	Transition stage			Total
	Transited	In transition	not started	
<b>Marital status</b>				
Single	39.6	66.7	62.4	59.7
Engaged/signed contract	3.8	3.5	3.5	3.5
Married	56.0	29.1	33.2	35.9
Divorced/separated	0.5	0.8	0.7	0.7
Widow	0.2	0.0	0.2	0.1
<b>Household average monthly income</b>				
Less than 200	5.5	8.7	6.2	6.7
200-300	19.1	17.5	17.8	17.9
300-400	24.1	26.9	27.5	26.8
400-500	20.6	19.1	19.2	19.4
500-700	16.6	13.6	14.4	14.6
700-1000	7.7	7.9	8.2	8.0
More than 1000	6.0	5.5	5.2	5.4
DK	0.5	0.8	1.4	1.1
<b>Urban-rural residence</b>				
Urban	42.8	47.8	48.2	47.2
Rural	57.2	52.2	51.8	52.8
Total	16.7	26.2	57.1	3,510.0
Number	586	921	2,003	3,510

**Table A11 Ease of transition by educational level**

Highest educational level	Ease of transition			Total
	Easy	Middling	Difficult	
Never been to school	19.8	5.4	11.1	12.8
Primary	14.4	6.3	15.3	13.3
Preparatory	12.8	12.6	10.4	11.6
Secondary	0.0	0.9	0.3	0.3
Technical secondary	25.1	33.3	38.9	33.4
University	23.0	33.3	18.1	22.5
Other education/training	4.8	8.1	5.9	6.0
Total	31.9	18.9	49.1	586.0
Number	187	111	288	586

**Table A12 Ease of transition by type of occupation**

Current occupation	Ease of transition			Total
	Easy	Middling	Difficult	
<b>Type of occupation</b>				
Prof., Tech., Manag.	27.8	35.1	19.1	24.9
Clerical	3.2	4.5	3.1	3.4
Sales	5.3	2.7	6.6	5.5
Agric-self employed	9.1	9.0	9.0	9.0
Agric-employee	17.6	10.8	9.7	12.5
Services	9.6	12.6	14.9	12.8
Skilled manual	24.6	20.7	32.3	27.6
Total	31.9	18.9	49.1	586.0
Number	187	111	288	586

<b>Table A12a Ease of transition by type of contract</b>				
<b>Type of contract</b>	<b>Ease of transition</b>			<b>Total</b>
	<b>Easy</b>	<b>Middling</b>	<b>Difficult</b>	
<b>Kind of contract</b>				
Yes, signed	2.1	1.8	4.2	3.1
Yes, not signed	27.3	42.3	24.0	28.5
No contract	70.6	55.9	71.9	68.4
Number	187.0	111.0	288.0	586.0

<b>Table A12b Ease of transition by number of jobs before current jobs</b>				
<b>Number of jobs</b>	<b>Ease of transition</b>			<b>Total</b>
	<b>Easy</b>	<b>Middling</b>	<b>Difficult</b>	
<b>Number of jobs</b>				
None	90.4	87.4	85.0	87.2
One	6.4	9.0	10.1	8.7
More than one	3.2	3.6	4.8	4.2
Number	187.0	111.0	288.0	586.0

<b>Table A13 Ease of transition by industry</b>				
<b>Industry</b>	<b>Ease of transition</b>			<b>Total</b>
	<b>Easy</b>	<b>Middling</b>	<b>Difficult</b>	
<b>Sector of work</b>				
Agriculture/Fishing/forestry	28.3	20.7	20.5	23.0
Mining	1.1	0.0	1.0	0.9
Switching industry	10.2	6.3	11.1	9.9
Electricity/water/gas	0.5	0.0	1.4	0.9
Construction	7.5	8.1	12.2	9.9
Commerce/sales	18.2	13.5	18.4	17.4
Hotel	3.2	2.7	4.2	3.6
Transportation/storage	4.3	8.1	8.7	7.2
Financial intermediate	1.1	0.9	1.0	1.0
Real estate	0.5	3.6	1.4	1.5
General management and defense	1.6	4.5	2.8	2.7
Education	9.6	16.2	7.6	9.9
Health	2.1	4.5	2.1	2.6
Personal and social services	5.3	9.9	4.2	5.6
Individual services	6.4	0.9	3.5	3.9
Total	31.9	18.9	49.1	586.0
Number	187	111	288	586

<b>Table A14 Ease of transition by employment</b>				
<b>Employment status</b>	<b>Ease of transition</b>			<b>Total</b>
	<b>Easy</b>	<b>Middling</b>	<b>Difficult</b>	
<b>Working for cash/not cash</b>				
Working for others with cash	79.7	82.9	76.4	78.7
Working for others without cash	1.1	0.0	0.7	0.7
Volunteer work with no cash	0.0	0.0	0.3	0.2
Worker without cash with family	5.3	1.8	4.2	4.1
Private business/owner of business	13.9	15.3	18.4	16.4
Total	31.9	18.9	49.1	586.0
Number	187	111	288	586

<b>Table A15 Ease of transition by formal or informal economy</b>				
<b>Current occupation</b>	<b>Ease of transition</b>			<b>Total</b>
	<b>Easy</b>	<b>Middling</b>	<b>Difficult</b>	
<b>Formal/informal economy</b>				
Formal	47.1	51.4	42.4	45.6
Informal	40.6	36.0	45.8	42.3
DK/missing	12.3	12.6	11.8	12.1
Total	31.9	18.9	49.1	586.0
Number	187	111	288	586

<b>Table A16 In-transition youth by educational level</b>				
<b>Highest educational level</b>	<b>In-transition</b>			<b>Total</b>
	<b>Unemployed</b>	<b>Temporary employment</b>	<b>In-active</b>	
Never been to school	3.9	11.4	8.2	7.6
Primary	5.9	7.0	3.7	5.6
Preparatory	5.3	12.1	6.4	7.8
Secondary	0.8	1.7	1.5	1.3
Technical secondary	42.7	41.3	56.9	46.4
University	34.3	19.8	15.7	24.2
Other education/training	7.0	6.7	7.5	7.1
Number	356	298	267	921

<b>Table A17 In-transition youth by formal and informal economy</b>	
<b>Kind of sector</b>	<b>In-transition</b>
	<b>Temporary employment</b>
<b>Formal/informal economy</b>	
Formal	40.6
Informal	45.6
DK/missing	13.8
Number	298

\* informal includes institutions with less than 5 employees

<b>Table A18 Youth not transited by background characteristics</b>			
<b>Background characteristic</b>	<b>In-school</b>	<b>Inactive</b>	<b>Total</b>
<b>Sex</b>			
Male	55.9	2.4	30.8
Female	44.1	97.6	69.2
<b>Age group</b>			
15-19	81.5	21.0	53.1
20-24	17.6	34.8	25.7
25-29	0.8	44.2	21.2
<b>Urban-rural residence</b>			
Urban	60.6	34.3	48.2
Rural	39.4	65.7	51.8
Number	1,061	942	2,003

## Employer's characteristics:

Type of enterprise	Total
<b>Formal/informal economy</b>	
Formal	77.8
Informal	22.2
Number	347.0

Enterprise staff	Total
<b>Firm's partners</b>	
No partner	32.3
One partner	27.4
Two partners	12.1
Three partners	12.1
Four or more partners	16.1
<b>Paid family/non-family employees</b>	
None	0.3
1-2 employees	10.1
3-4 employees	22.2
5-6 employees	13.3
7-10 employees	13.3
11-20 employees	11.0
>20 employees	30.0
Number	347.0

Factors	Professional posts	Manual posts
Advertisement	14.4	12.7
Training and education institutions	0.6	0.9
Services of ministry of labor force	6.3	6.9
Private recruitment offices	1.2	1.4
Relatives/friends of owners/managers	29.1	36.3
Relatives/friends of workers	23.9	68.3
Promoting existing workers	8.6	0.6
Other	2.3	4.9
Not applicable	42.1	8.6
Number	347.0	347.0

Constraint	Total
Routine	26.8
Taxes	42.4
No place open project	0.6
Marketing services	9.5
Finance/loans	7.5
Low quality of public services	10.1
Lack of information about market	4.0
Intense competition	17.0
Competition in exporting	2.6
Lack of technology	5.5
Increased cost of production	47.0
Deformity	9.2
Other	12.4
Missing	5.5
Number	347.0

Expectations	Total
Interesting job to do	5.8
Job that people regard highly	7.8
Earn a lot of money	90.5
Good promotion prospects	4.0
Job uses skills and abilities	15.0
Steady job	51.0
Having a role in decision making	2.6
Having lots of vacation times	5.2
Being able to work independently	6.1
Possibility to work with family membe	2.0
Other	5.2
Number	347.0

Other important characteristics:

Monthly income	Employed	Self-employed	Total
<100	7.5	0.8	6.6
100-199	20.0	13.0	19.0
200-299	24.6	15.4	23.3
300-399	23.9	18.7	23.2
400+	24.0	52.0	27.9
Number	761	123	884

Year of recruitment	Total
Before 1999	48.8
2000	15.0
2001	8.5
2002	13.9
2003	13.8
Less than 6 month	10.8
More than 6 months	89.2
Number	761

Method of job finding	Total
<b>Method of job search</b>	
Through education/training organization	2.4
Through labor force/GOV institution	9.7
Office for foreign work	0.3
Office for youth work	0.8
Advertisements	1.6
Friends	43.5
Family/relatives	50.2
Workers contactor	8.3
Directly go to organizations	27.3
Number	761

Method of job finding	Total
<b>Job application rate</b>	
Applied to 1 job	7.0
Applied to 2 jobs	9.1
Applied to 3 jobs	7.4
Applied to 4 jobs	2.1
Applied to 5 jobs or more	6.3
Didn't apply to any	68.2
Number	761
<b>Job interview rate</b>	
1 job interview	23.1
2 job interview	10.7
3 job interviews	10.3
4 job interviews	3.3
5 job interviews or more	7.9
Didn't have any interview	44.6
Number	242

Training	Total
No training received	92.8
<b>Training received</b>	
On new technology	3.0
On foreign language	0.5
On managing small projects	0.3
Technical training	2.2
Marketing course	0.5
On agriculture production	0.4
Other	0.3
<b>Training provided by</b>	
At place of work	5.3
School/university/college private	0.8
School/university/college public	1.2
<b>Training duration</b>	
Less than 1 week	1.4
1 week-less than 2 weeks	2.2
2 weeks-less than 1 month	1.4
1 month-less than 3 months	1.6
3 months-less than 6 months	0.1
6 months - less than 1 year	0.3
More than 1 year	0.1
<b>Training paid by</b>	
Personally	0.5
Family	0.3
Owner of work	3.0
Governmental institution	3.0
Number	761

Assistance	Total
How to find a job	4.5
Information about available vacancies	5.7
Education/training courses to have job opportunity	1.1
Other	1.1
Nothing	85.2
Number	88

Type of contract	Total
<b>Duration of contract</b>	
Permanent	64.3
Contract for 12-36 months	24.7
Contract for less than 1 year	11.1
Number	235

Entitlement	Total
Housing/return for housing	6.2
Transportation	10.8
Meals	12.5
Paid yearly vacations	23.0
Paid sick leave	22.2
Retired plan	19.3
Bonuses	26.7
Bonus after leaving work	19.1
Medical expenses	19.1
Bonus for good work	23.8
Simple loans	7.1
Training/education courses	13.0
Safety gear/equipments	9.2
Nursery for children	1.7
Number	761

Background characteristic	Contract	
	With contract	No contract
<b>Sex</b>		
Male	73.6	90.7
Female	26.4	9.3
<b>Age group</b>		
15-19	4.3	18.3
20-24	27.2	31.0
25-29	68.5	50.8
<b>Urban-rural residence</b>		
Urban	56.6	35.0
Rural	43.4	65.0
<b>Educational level</b>		
Never been to school	0.0	17.3
Primary	2.6	15.4
Preparatory	4.3	14.3
Secondary	0.4	1.1
Technical secondary	32.3	37.5
University	49.8	10.3
Other education/training	10.6	4.2
Number	235	526

Background characteristic	Type of contract	
	Written contract	Verbal contract
<b>Sex</b>		
Male	73.4	75.0
Female	26.6	25.0
<b>Age group</b>		
15-19	3.9	7.1
20-24	25.6	39.3
25-29	70.5	53.6
<b>Urban-rural residence</b>		
Urban	60.9	25.0
Rural	39.1	75.0
<b>Educational level</b>		
Primary	1.9	7.1
Preparatory	2.4	17.9
Secondary	0.5	0.0
Technical secondary	31.4	39.3
University	52.2	32.1
Other education/training	11.6	3.6
Number	207	28

<b>Background characteristic</b>	<b>Up to 19 hours</b>	<b>20-39 hours</b>	<b>40-59 hours</b>	<b>60+</b>	<b>Missing/DK</b>	<b>Total</b>
<b>Sex</b>						
Male	1.1	18.9	43.8	36.0	0.2	650.0
Female	5.4	37.8	38.7	18.0	0.0	111.0
<b>Age group</b>						
15-19	0.9	22.6	41.5	34.9	0.0	106.0
20-24	2.2	22.0	38.3	37.0	0.4	227.0
25-29	1.6	21.3	46.0	31.1	0.0	428.0
<b>Urban-rural residence</b>						
Urban	0.6	19.9	39.7	39.7	0.0	317.0
Rural	2.5	23.0	45.5	28.8	0.2	444.0
<b>Educational level</b>						
Never been to school	0.0	19.8	51.6	28.6	0.0	91.0
Primary	1.1	20.7	40.2	37.9	0.0	87.0
Preparatory	0.0	20.0	32.9	47.1	0.0	85.0
Secondary	0.0	0.0	42.9	57.1	0.0	7.0
Technical secondary	2.9	17.2	43.6	35.9	0.4	273.0
University	1.2	32.2	44.4	22.2	0.0	171.0
Other education/training	4.3	21.3	42.6	31.9	0.0	47.0
Number	2	22	43	33	0	761

<b>Satisfaction</b>	<b>Total</b>
<b>Pleased with current work</b>	
Pleased	67.4
Not pleased	32.6
Number	761
<b>Employee future plans</b>	
Do don't plan to change work	8.5
Not sure	18.5
Plan to change to get a higher pay	47.2
Plan to change for a better working conditions	27.0
Plan to change for a better career	40.3
Number of unsatisfied employees	248

<b>Table A37 Self-employed youth by background characteristics</b>	
<b>Background characteristics</b>	<b>Total</b>
<b>Sex</b>	
Male	92.7
Female	7.3
<b>Age group</b>	
15-19	4.9
20-24	17.9
25-29	77.2
<b>Urban-rural residence</b>	
Urban	47.2
Rural	52.8
<b>Educational level</b>	
Never been to school	14.6
Primary	9.8
Preparatory	15.4
Technical secondary	37.4
University	16.3
Other education/training	6.5
Number	123

<b>Table A38 Self-employed youth by duration of business operation</b>	
<b>Duration of operation</b>	<b>Total</b>
More than 5 years	67.5
4 years	7.3
3 years	12.2
2 years	4.9
1 year	3.3
less than 6 months	4.9
Number	123

<b>Table A39 Self-employed youth by business operation characteristics</b>	
<b>Business operation characteristics</b>	<b>Total</b>
Operating alone (with no paid employees)	51.2
Help of family member	40.7
Only one family member	15.4
Help of paid employees	11.4
Only one paid employees	4.9
Partners	13.0
Only one partner	4.9
Number	123

<b>Table A40 Self-employed youth by main reason</b>	
<b>Main reason</b>	<b>Total</b>
<b>Reason joined private business</b>	
Didn't find work/owner of work	39.0
To feel free	38.2
No attendance time	4.9
Income of private work	8.9
Prefer to work in own farm	6.5
Responsible for my family	2.4
Number	123

<b>Table A41 Self-employed youth by financial operations</b>	
<b>Financial operations</b>	<b>Total</b>
<b>Business was established with</b>	
Didn't need money to start work	21.1
Family business	15.4
Personal savings	30.9
Family savings	35.0
Loan for family/friends/relatives	6.5
Loan from bank	2.4
Gage	0.8
Sell some assets	4.9
<b>Selling to</b>	
Individuals of family	96.7
Merchants/small partners	23.6
Farmers	8.9
Intermediaries	3.3
Partners	2.4
<b>Business is making a</b>	
Profit	90.2
Cover costs only	9.8
Number	123

<b>Table A42 Self-employed youth by the most important problem in running business</b>	
<b>Duration of operation</b>	<b>Total</b>
Routine	26.8
Taxes	30.1
No place open project	4.1
Marketing services	13.8
Finance/loans	15.4
Low quality of public services	4.1
Lack of information about market	3.3
Intense competition	29.3
Lack of technology	6.5
Increased cost of production	28.5
deformity	3.3
Other	11.4
Number	123

Background characteristics	1-2 months	3-6 months	7-12 months	> one year	Total
<b>Sex</b>					
Male	78.9	34.4	100.0	69.7	67.1
Female	21.1	65.6	0.0	30.3	32.9
<b>Age group</b>					
15-19	63.2	34.4	100.0	14.5	19.1
20-24	36.8	62.5	0.0	53.0	52.8
25-29	0.0	3.1	0.0	32.6	28.1
<b>Urban-rural residence</b>					
Urban	63.2	78.1	0.0	57.2	59.3
Rural	36.8	21.9	100.0	42.8	40.7
<b>Educational level</b>					
No school	0.0	0.0	0.0	4.6	3.9
Primary	0.0	0.0	100.0	6.6	5.9
Preparatory	0.0	0.0	0.0	6.3	5.3
Secondary	0.0	0.0	0.0	1.0	0.8
Technical secondary	68.4	31.3	0.0	42.4	42.7
University	26.3	59.4	0.0	32.2	34.3
Other	5.3	9.4	0.0	6.9	7.0
Number	19	32	1	304	356

Main obstacle	Total
<b>Reason for not finding a work</b>	
Illiteracy	3.9
Education not suitable/not needed in labor market	1.4
Technical education not suitable/not needed in labor market	0.6
No training opportunities	0.6
Job opportunities need higher level of education	5.6
Job opportunities need higher training	1.7
No experience	0.6
No enough job opportunities in Egypt	78.4
Small age	0.3
Because male/female	0.6
Small salaries in available jobs	1.7
Bad working conditions	1.7
No money to open private business	0.6
Other	0.8
No obstacle	1.7
Number	356

Assistance	Total
How to find a job	4.9
Information about available vacancies	8.2
Nothing	88.5
Number	61

Application and interview rate	Total
<b>Job application rate</b>	
Applied to 1 job	11.0
Applied to 2 jobs	15.4
Applied to 3 jobs	11.2
Applied to 4 jobs	10.7
Applied to 5 jobs or more	16.9
Didn't apply to any	34.8
Number	356
<b>Job interview rate</b>	
1 job interview	12.9
2 job interview	13.4
3 job interviews	12.1
4 job interviews	4.7
5 job interviews or more	9.5
Didn't have any interview	47.4
Number	232

Education relevance	Total
<b>Relevance of education attained</b>	
Very useful	26.7
Some what useful	38.2
Not useful	24.4
DK	6.7
Never been to school	3.9
<b>Most useful training/courses for job finding</b>	
Practical work on how to make private business	0.6
On job training	5.9
Computer training	44.1
Language courses	29.2
Specialized/occupation training	14.3
Nothing/DK	34.6
<b>Planning to continue education in the future</b>	
Yes	8.1
No	85.4
Unsure	6.5
Number	356

Highest educational level attained	Sex		Age group			Residence		Total
	Male	Female	15-19	20-24	25-29	Urban	Rural	
<b>Highest education level expected</b>								
Preparatory	0.3	0.2	0.3	0.0	0.0	0.3	0.2	0.3
Job training	0.3	0.0	0.2	0.0	0.0	0.0	0.5	0.2
Secondary	1.0	0.0	0.7	0.0	0.0	0.9	0.0	0.6
Technical secondary	20.2	21.2	24.7	1.1	33.3	11.2	35.2	20.6
Upper intermediate	5.6	3.4	5.3	1.6	0.0	4.5	4.8	4.6
University	64.9	62.6	60.3	80.7	55.6	72.6	50.5	63.9
Above university	7.6	12.6	8.3	16.6	11.1	10.4	8.9	9.8
<b>Preferred specialized education</b>								
Arts	4.2	9.4	6.6	6.4	0.0	6.5	6.5	6.5
Social studies	3.0	7.7	4.0	9.6	11.1	5.3	4.8	5.1
Science/physics	2.5	1.3	1.8	2.7	0.0	2.3	1.4	2.0
Computer science	6.9	3.8	5.2	7.5	0.0	6.7	3.8	5.6
Mathematics	0.2	0.9	0.6	0.0	0.0	0.2	1.0	0.5
Commerce	27.0	26.5	27.1	24.1	55.6	26.0	28.0	26.8
Engineering	16.0	3.8	11.4	7.5	0.0	12.4	7.9	10.7
Law	8.6	4.5	6.5	8.6	0.0	7.6	5.5	6.8
Architect	4.7	1.1	3.5	1.6	0.0	2.5	4.1	3.1
Medical	4.9	10.5	7.2	8.0	11.1	8.9	5.0	7.4
Business	1.7	5.1	2.8	5.3	0.0	3.9	2.2	3.2
Education	7.4	18.6	12.4	12.3	11.1	7.8	19.4	12.3
Nursing	0.0	1.3	0.7	0.0	0.0	0.6	0.5	0.6
Agriculture	5.4	1.3	3.8	2.7	0.0	2.3	5.5	3.6
Tourism and hospitality	1.9	1.1	1.5	1.1	11.1	2.2	0.5	1.5
Other	2.7	1.3	2.2	1.6	0.0	2.5	1.4	2.1
No specialization	2.5	1.7	2.4	1.1	0.0	2.0	2.4	2.2
Primary/preparatory education	0.3	0.2	0.3	0.0	0.0	0.3	0.2	0.3
Number	593	468	865	187	9	643	418	1,061

Job search methods	Total
<b>Method of job search</b>	
Through education/training organization	7.1
Through labor force/GOV institution	7.1
Advertisements	21.4
Friends	42.9
Family/relatives	35.7
Workers contactor	7.1
Directly go to organizations	35.7
Number	14

**Table A24 Employed youth by company size**

Industry	Sex		Age group			Residence		Never been to school	Primary	Preparatory	Secondary	Technical secondary	University	Other education/training	Total
	Male	Female	15-19	20-24	25-29	Urban	Rural								
<b>Number of workers in the organization</b>															
Less than 5 workers	40.5	24.3	56.6	42.3	31.3	29.7	44.1	37.4	54.0	51.8	85.7	44.0	15.2	27.7	38.1
5-9 workers	12.3	11.7	11.3	12.3	12.4	10.7	13.3	17.6	18.4	11.8	0.0	11.4	9.4	8.5	12.2
10-19 workers	5.5	9.0	6.6	6.6	5.6	6.6	5.6	3.3	6.9	5.9	0.0	4.4	9.9	6.4	6.0
20+ workers	25.2	53.2	11.3	30.4	33.2	40.4	21.4	3.3	8.0	16.5	14.3	28.9	55.6	51.1	29.3
DK	16.5	1.8	14.2	8.4	17.5	12.6	15.5	38.5	12.6	14.1	0.0	11.4	9.9	6.4	14.3
Number	650	111	106	227	428	317	444	91	87	85	7	273	171	47	761

**Table A44 Unemployed youth by job searching method**

Job searching method	Sex		Age group			Residence		Never been to school	Primary	Preparatory	Secondary	Technical secondary	University	Other education/training	Total
	Male	Female	15-19	20-24	25-29	Urban	Rural								
<b>Method of job search</b>															
Through education/training organization	1.3	4.3	0.0	3.2	2.1600	1.9	2.8	0.0	0.0	0.0	0.0	0.7	4.1	8.0	2.2
Through labor force/GOV institution	5.0	15.4	5.9	5.9	15.0	7.1	10.3	0.0	0.0	0.0	0.0	13.2	6.6	8.0	8.4
Office for foreign work	1.3	0.0	0.0	0.0	3.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	2.5	0.0	0.8
Office for youth work	3.3	8.5	1.5	4.3	9.0	4.3	6.2	0.0	0.0	0.0	0.0	5.9	5.7	8.0	5.1
Advertisements	15.5	20.5	8.8	20.2	17.0	22.3	9.7	0.0	4.8	5.3	0.0	9.2	35.2	8.0	17.1
Friends	69.5	65.8	63.2	69.7	69.0	76.3	56.6	85.7	66.7	73.7	100.0	61.2	75.4	60.0	68.3
Family/relatives	53.1	49.6	63.2	50.5	47.0	53.6	49.7	78.6	66.7	57.9	100.0	49.3	47.5	52.0	52.0
Workers contactor	11.7	2.6	10.3	9.6	6.0	8.5	9.0	7.1	19.0	15.8	33.3	11.2	3.3	4.0	8.7
Directly go to organizations	52.7	36.8	38.2	47.9	53.0	52.1	40.7	57.1	47.6	36.8	33.3	48.0	48.4	44.0	47.5
Other method	0.0	0.9	0.0	0.5	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.3
Number	239	117	68	188	100	211	145	14	21	19	3	152	122	25	356

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