

Policy Paper

A Ticking Bomb: Egypt's Youth Unemployment

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Abstract

SAHWA's qualitative and quantitative data, other data sets and recent field work all confirm that unemployment -specifically among youth- is problem number one. In fact Egyptian media noted recently the increasing number of youth demonstrating against rising employment, remarking that they were especially graduates who invested in getting their MA and Ph.D, and still remain without a job. In neighboring Jordan, police was forced to intervene because the demonstrations by the unemployed were getting out of control.

This paper includes an introduction and four sections that specify the youth age bracket used and deal with such issues as the dialectics between the formal and informal sectors. The concluding section emphasizes youth integration in policy making -including about unemployment- by presenting the most recent governmental initiative: the PLP (Presidential Leadership Program). The overall analysis is backed up by data presented in six graphs.

1. Introduction

Why the self-immolation of a person, the young Bouazizi in the Tunisian countryside, made of this individual spark an overall socio-political spark embracing most of the Arab world: the 5-year old Arab Spring? The short answer is that Bouazizi's case mirrored a generalized socio-economic situation: in this context an unemployed graduate that was not even allowed to find a way out by being a street fruit-vegetable vendor, i.e. to survive in the informal economy. This is why an individual's case becomes paradigmatic and goes far more than the specific context, as we will precisely see from Egypt's case.

In the ranking of youth problems, Egypt's SAHWA data, qualitative (interviews) and quantitative (survey), indicate the problem of unemployment comes on top. Other non-SAHWA surveys such as ASDA'A confirm this ranking. Moreover, youth unemployment issue seems to continue, and big, from the time before the Arab Spring to the present. It is a structural problem in Egypt and beyond. It is also linked to other major issues such as the (informal) economy, forming a family (which is still the basis of society), drugs, migration....

Though the focus is on Egypt, this country impacts -because of its demographic weight and geopolitical significance- on the rest of the region. This paper's conclusion could then mirror issues and patterns in the region as a whole.

Divided in five parts and basing its analysis on data in seven diagrams, the paper is focused on surveying the youth unemployment problem, its evolution, patterns and prospects (including gender aspects). Data have also been extensively utilized to support such analysis. The paper thus aims to offer full coverage by capitalizing on both quantitative (SAHWA Youth Survey) and qualitative (Ethnographic Fieldwork) data, collected within the framework of the SAHWA Project. The analysis will conclude with discussing a new presidential initiative -the PLP (the Presidential Leadership Program) that is supposed to be a milestone to deal with youth problems, as it is designed principally to prepare youth to hold leadership positions in government and ministries. While such policy seems to be a positive indication of change as it encourages recruiting youth for leadership and policy-making level, the outcome is yet to be measured on the long run. Despite recruiting randomly from across the nation, such program remains relatively small in size to address pressing issues that face the youth bulge in the region, and needs to be complemented by other reforms that usher in more inclusive policies with tangible results, preferably in the short run.

General Definition of Youth and Egypt's Case

According to the United Nations and the World Bank, youth are those in the transitional period between being dependent during their childhood and being independent when they reach adulthood. This, however, seems to be too restrictive and reflects mostly the experience of developed Western countries. This is why the UN General Assembly Resolutions justifiably favor a more encompassing and flexible definition reflecting changing economic, political and socio-cultural circumstances around the world. Basically, the youth age should be flexible depending on the country discussed. Furthermore another definition, in accordance with Section four of the Bureau of Strategic Planning in 2004, refers to a young person between the ages of leaving compulsory education, finding their first job, and have active social and economic participation in order to take control of their own lives and bear social commitments. Going in the same direction is the definition of the

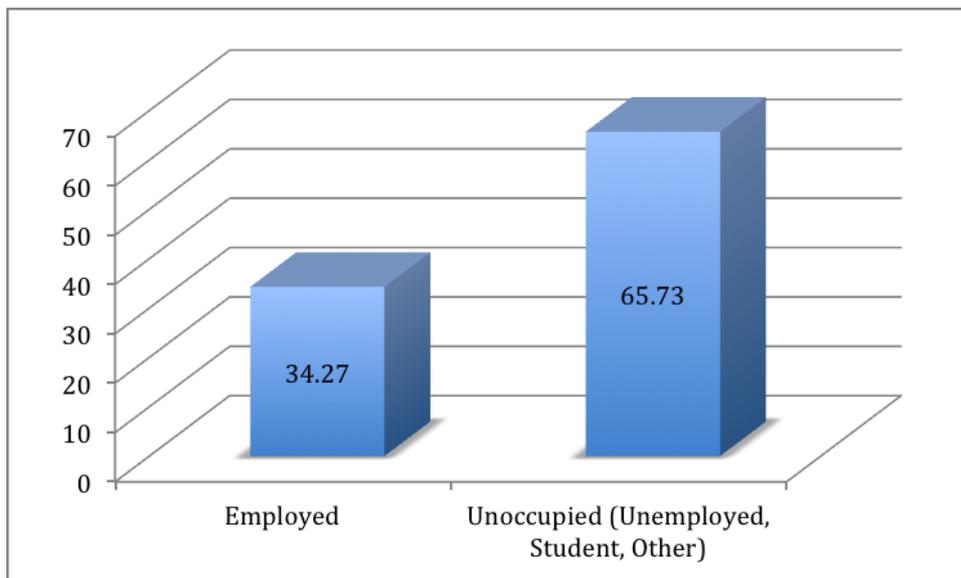
African Youth Charter that considers youth as those between the ages of 15 and 35 years old (United Nations, 2014).

In Egypt and in accordance to the World Bank, the Ministry of Youth affairs define youth as the age group between 18 and 35 years old. Youth in Egypt in that context are perceived differently, where sometimes they can be viewed as a challenge or an opportunity. Accordingly, the policies set to address youth and include them usually depend on whether they are viewed as a challenge or an opportunity.

While this is basic for our paper, our frame of reference is still our SAHWA youth sample, where youth chosen and defined as those who are between the age of 15 and 29. This age group was used to conduct a survey on 2003 eligible persons in Egypt during December 2015 and January 2016 and amply analyzed in the National Policy Case. Moreover, some of the employment related questions from the survey are singled out and analyzed below in an attempt to display the current main trends, as well as some policies that have been or need to be implemented to address them.

2. Employment in Egypt

Graph 1. Ratio of Employment and Unemployment



Source: SHAWA Youth Survey.

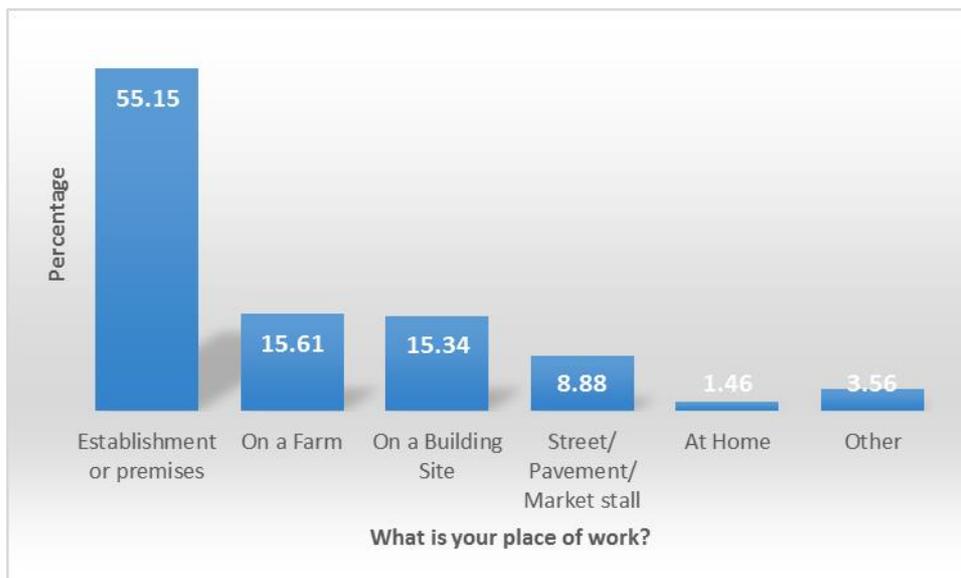
The diagram shows a employees/unoccupied gap of almost 1 to 2. Worse still this gap is getting bigger rather than smaller. According to World Bank Unemployment indicators, as of 2014, unemployment among the youth in Egypt is 42%. This number has been increasing rapidly ever since 2010¹. Such percentage refers to youth unemployment as a share of the labor force ages 15-24 without work but available for and seeking employment. Employment in Egypt remains a challenge that the leadership is yet to solve. Moreover, and unlike most Western countries, Egypt has a significant youth bulge that requires an evergrowing job market to absorb the youth. That being said, it is important to highlight that the above numbers might not be indicative of a precise and actual unemployment number in Egypt due to the age bracket, the role of the informal sector as will be seen in the section below. Thus, the unoccupied category displayed above includes those who are still studying in some type of institution, and hence officially outside the job market. Consequently, this is why including youth from the age of 15 skews the graph slightly in favor of unemployment. In the same vein, the impact of the informal job market is not registered.

2.a. Formal vs. Informal Economy

As in many developing countries, the informal economy in Egypt is rather significant. Some economists estimate it as much as 40% or more². However, contrary to dominant orthodox economic point of view about its disadvantages, it can socially provide a safety valve in allowing people to survive -as precisely Bouzizi's attempt before his self-immolation showed. This is why such unoccupied percentages could be significantly higher as they refer to the formal economy. The informal sector in this case represents more than a significant 30% who work on the street, pavement, market stall, small shops, farm or at home, as the SAHWA data in the graph below show. These are in the forms of (not limited to) unregistered small businesses such as kiosks or fruit and vegetable vendors, or people who have certain hobby/profession that they can perform at home and sell for money in return. Furthermore, agriculture remains a significant part of Egyptian employment. Rationally speaking, people might report that they are unemployed even though they work on a farm that is owned by their family. They have not evolved from pre-youth job occupation to have a different and independent job outside the family. Other sectors of the informal economy do not provide minimum security, in terms of job guarantee or social

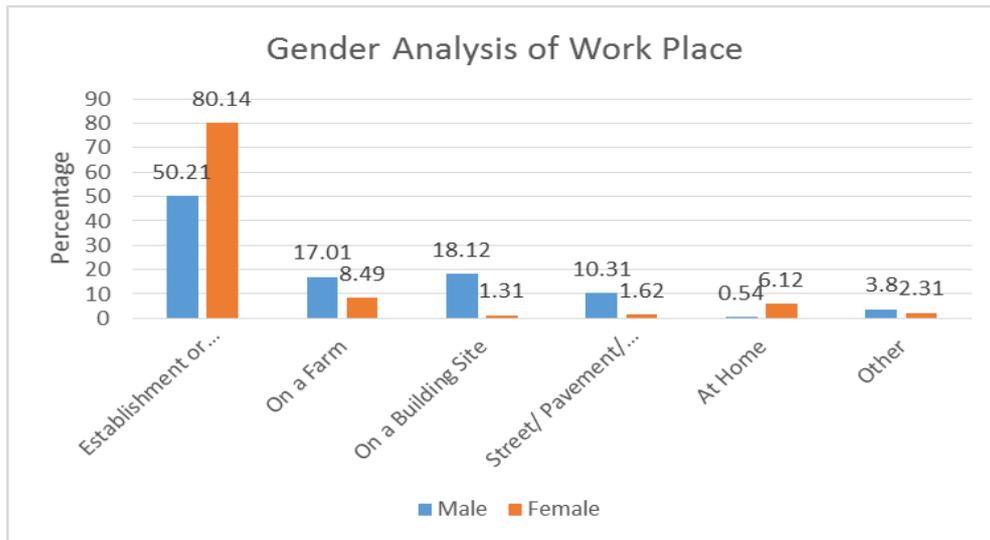
safety nets. This is why the main youth objective -as revealed in both qualitative and quantitative data- is to be integrated in the formal sector, at least using it for part of their time and with a minimum pay. This insistent need for employment in the formal and even public sector makes of employment a real immediate challenge, not only for the individual seeking it but for the authorities in charge of providing it.

Graph 2. Employment Ratio, Formal vs. Informal Sectors.



Source: SHAWA Youth Survey.

The graph below (Graph 3) shows the male/female divide in the formal vs. informal sector. The informal sector represented by both street/pavement/market stall and working at home shows that there is a gender preference. First, street and pavement work is dominated by the males, this goes in line with the cultural norms and values that men are responsible for providing food for the family. In fact, many husbands refuse to let their spouse work, especially in street or some other informal outside areas such as unknown households. This is why -as the diagram shows- the preference of women is in the working at home category, or an officially declared establishment or premises showing significant gender gap among those working in an establishment.

Graph 3. Gender Analysis of Work Place

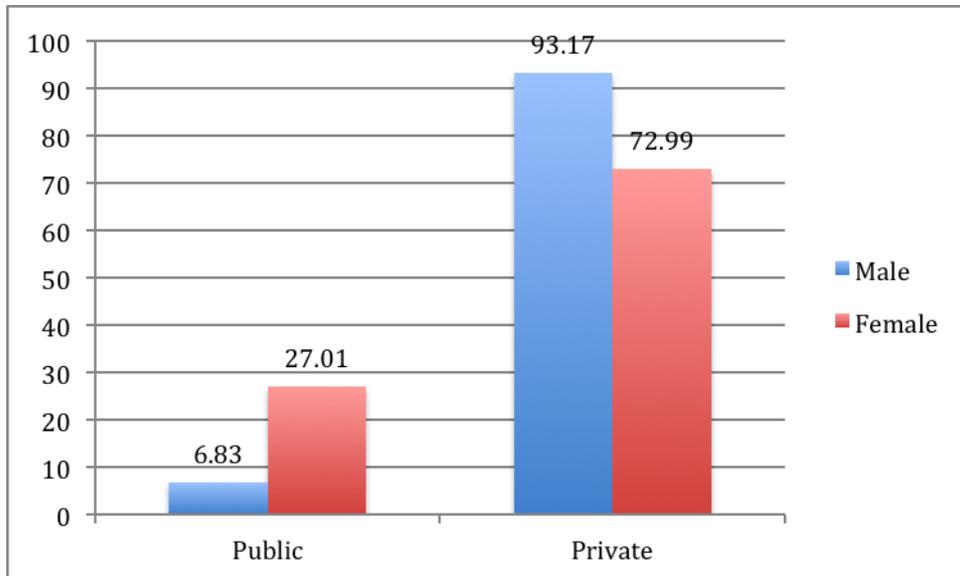
Source: SHAWA Youth Survey.

Interview data confirm the survey finding.

“I couldn’t find a job for three months after I graduated. It was a very profitable shop that actually worked well and I made average profits of about 5,000 LE per month. This however didn’t continue much after I got engaged. My new fiancé refused that I would stand and work in the shop and be in direct contact with anyone coming into the shop on a daily basis, while I didn’t appreciate it much, I asked my fiancé if I could apply for work in “Bank Misr” a government owned bank, and he agreed because it was a public sector job that had specific working hours unlike the private sector. I applied for the job, and also appointed three young ladies to work in the shop. It was a pity that the shop didn’t work well because the management was absent and things were stolen on a daily basis, so it shut down losing a significant amount of money. I applied for the job in the “Central Agency for Public Mobilization and Statistics” and work there as a researcher until today” (EG_NI_3 Mona Mansour)

2.b. Public vs. Private Sectors

Graph 4. Male/Female Employment, Public and Private Sectors



Source: SHAWA Youth Survey.

As the interviewees assert, a job in the public sector -despite its relatively low pay is a dream and an objective to be attained. Such job represents stability and hence the ability to become independent, get married and start a family. This has been confirmed through both the quantitative and qualitative data. Although the private sector provides higher salaries, the issue of job security remains a determining point to youth when choosing a job.

However, when asked whether a public sector job is a dream job for them or not anymore, opinions were very different in the qualitative data, in a way reflecting the data collected in the quantitative study, and mirroring such differences as gender, level of education and also individual ambition/entrepreneurship. Thus a first group of interviewees explained that the salary and the experience they will gain in the private sector are more important for them than the working conditions and stability, therefore they do not mind working in the private sector even if their working conditions are not optimal.

Other interviewees preference was, however, still working in the public sector due to its stability and the privileges it gives such as medical insurance, social insurance and other privileges. Thus, one participant said, “If I were offered a public sector position with a low salary, I wouldn’t say no”. Moreover, participants explained that the interest in the public sector jobs increases with their responsibilities. In other words, participants agreed that what

gives the public sector advantage over the private sector are the benefits given as well as the stability gained for public sector employees. As one interviewee put it explicitly and bluntly:

“The public sector job gives benefits more than the private sector, if something wrong happens no one will tell me leave and I’ll get someone else.” (EG_FG_1)

The data above –both graph and interviews- can be summarized into three main points, showing this diversity of views regarding employment in public versus private sector.

First, the public sector job is a dream job for many as it simply means stability and predictability.

“If I work in the private sector I work hard and do get more money. However, there are trade-offs, for in the public sector I get health insurance, and at the end of the month I know how much salary I will receive...” (EG_FG_4)

Second, for some, it is better to have a private sector job as you actually gain working experience and learn new skills.

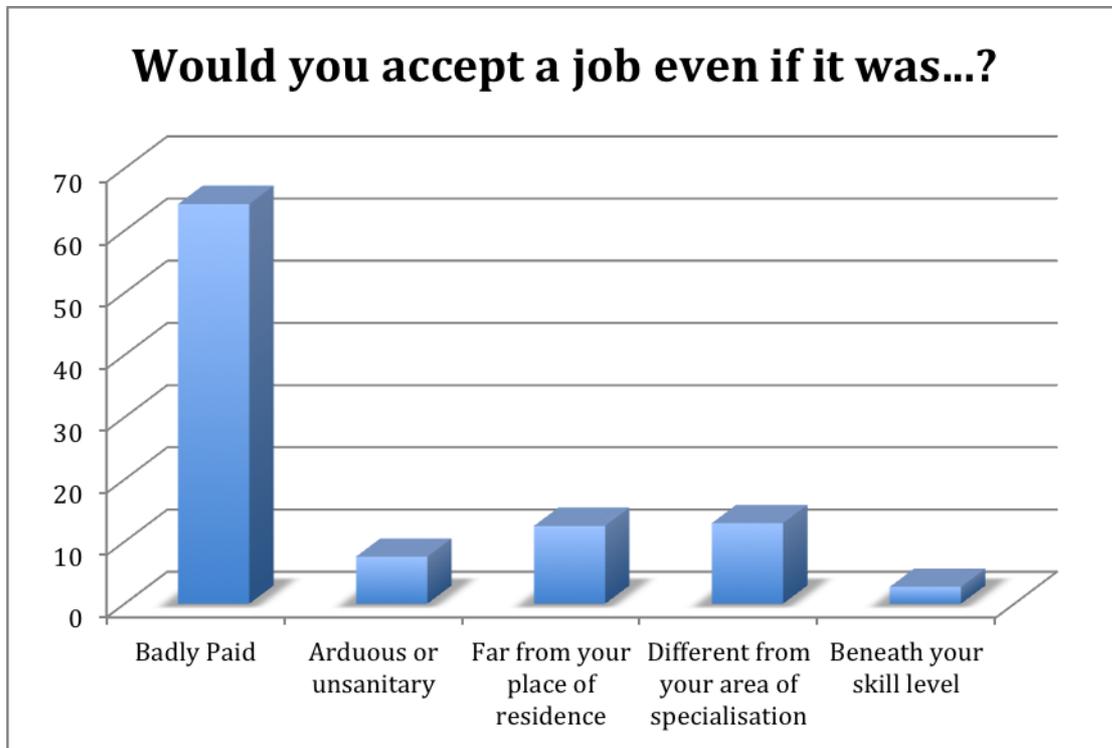
“I refuse to just go to complete a number of staff, to go sign and leave and have a salary end of month not feeling any added value, it’s not about the financials but the private sector gives you experience and gives you responsibility and commitment and that’s why it is successful because if you are not committed and not working you will not be promoted.” (EG_FG_4)

Third, some want to have it both ways -in a way- have your cake and eat it too. Thus they prefer to do both, working in a public sector job in the morning for stability while having another part-time job in the informal/private in the evening or even at night in order to increase their income and make ends meet.

“Even if its money is less (public sector job), we wish to work in a public sector job and work in the private sector after it, we can work 16 hours a day not a problem or 20 hours a day not a problem, but we’d be sure then of having enough income”. (EG_FG_4)

3. Employment Trends

Graph 5: Job Acceptability



Source: SHAWA Youth Survey.

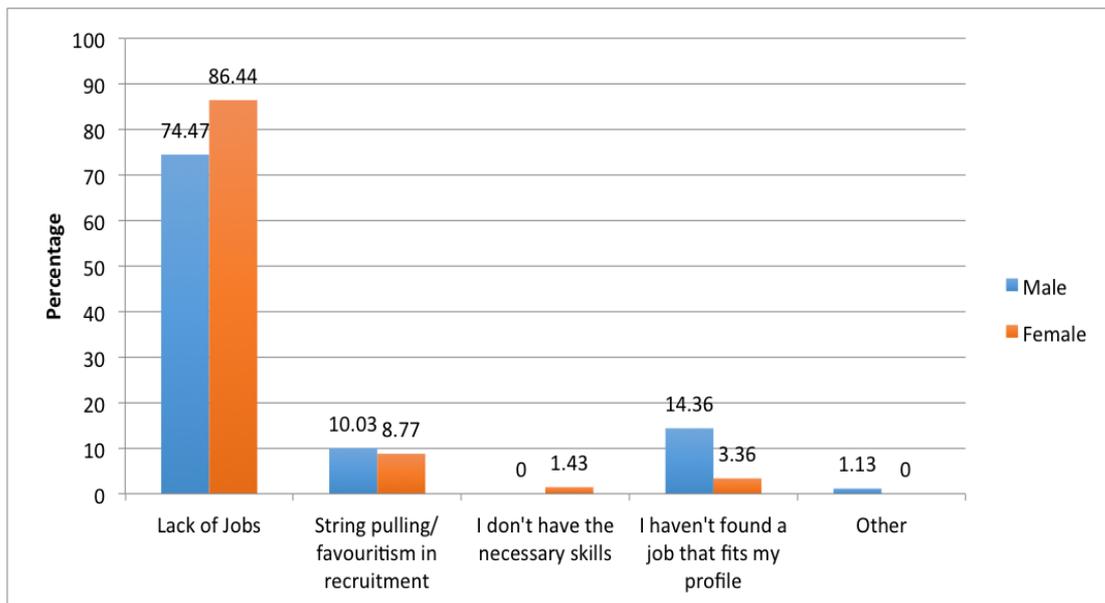
“To me there exists job opportunities in Egypt, but that can make a living to one person (not a family). To me as a young man if I want to work, there will be plenty of jobs to find within Egypt but not related to my certificate”.
(EG_FG_4)

As can be viewed from the above in graph 5, most young people would accept a job even if it was badly paid in comparison to the difference from their area of specialization. This has been highly reflected in the qualitative data as well. Mostly have agreed that the job does not reflect the education received. According to many, no one in Egypt works in the field of their original degree specialization. Ethnographic fieldwork and Youth Survey data regarding the employment category have proven that there exists a gap between the education offered and the job opportunities available in the country. Although, some believe that whoever wants to find a job would be able to do so with the right will, others believe that it is all a matter of qualifications, where languages and computer skills can sometime

come before the degree awarded. In other words, some agreed that their opportunities depended on how they act towards the job market. Many variables included what the one searching for a job had in mind. If searching only for jobs in fields of study, if waiting to get hired by the public sector, if insisting to working under some conditions, then not finding jobs at all is the result, and so forth. But if the youngster happens to be flexible with the working hours, facilities, the nature of the work and its requirements, then definitely s/he would be able to find some sort of a payable job.

4. Reasons for Unemployment

Graph 6. Reasons for Unemployment, Male/Female



Source: SHAWA Youth Survey.

Some participants have mentioned that they are not optimistic about the job market, they think that it is blocked and that even if they were students of one of the top colleges (in Egypt, Engineering and Medicine schools for Science Specialization as well as Mass-Comm and Economics/Political Science for Literary Specialization are considered the best colleges), they don't have many opportunities. However, as revealed in the quantitative data (see graph 6), when asked why they are unemployed the most frequent answer answer that was chosen by both males and females, was “lack of jobs”.

The qualitative data bring in some further information in this respect, especially when it comes to the difference in responses between females and males. Most of the sample interviewed had very well educated females that were more or less as keen as males to find a job. But some were unable to do so due to other circumstances including family and spouse approval, rather than the skill. However, it is also worth mentioning that most of those interviewed were active youth in their societies who at least participated in NGO activities.

Another problem highlighted in both the quantitative and qualitative data, as many interviewees have pointed out, is the problem of transition from school to work. There are not enough training programs for undergraduates and graduates that provide them the necessary knowledge and skills for the job market.

Thus when applying for new jobs, if their C.V. does not show that they attended some courses, that they received training and have a good command of English, then their application will not be considered. In other words, the college degree is not enough to get a job. This is why they repeatedly suggest that the Government has to organize periodical training programs for young people in almost all specializations.

Relatedly, a major opinion expressed was the fact that the education received -and chosen- does not prepare the students for the job market because of mainly two reasons. First, the students start studying without having a specific goal to why they pursue their education, as explained by one interviewee:

“The problem is within us and not in the jobs that are available. Any job announced needs specifications, but part of the problem is that I go without any of that and imagine that my certificate will get me the job. This is not the case as the job needs usually more qualifications, sometimes practical ones. I need to excel in these qualifications/skills and then start working. What usually happens is the opposite, I get the degree and then start searching to decide what I want and need to do.”
(EG_FG_3)

In other words, the universities and colleges lack the practicality part, they do not give enough importance to training and learning practically how to do a job; preparing them to the job market post graduation.

“In the past, there used to be a compulsory training that every student should go through at college.” (EG_FG_3)

It was thus agreed that there was availability of jobs for the educated related to their specialization but the problem lies in the lack of skills and trainings, since they do not get the practical part in their education in universities.

“Yes, there are job opportunities with a university degree but the problem facing us is that we did not receive practical training in the college, we only studied from books and did not learn the practical/application aspect.” (EG_FG_4)

5. Conclusions and Current Initiatives: The Presidential Leadership Program

Through its five sections, six diagrams counting principally on SAHWA survey data, and also analysis of qualitative interview data, this paper documented why unemployment among youth is not only persistent but is indeed a ticking bomb. It was at the very basis of the Arab Spring, as Bouazizi's case in the Tunisian countryside confirmed in acting as a physical and socio-political spark. More than five years later, youth unemployment is not substantially contained or reduced, let alone solved. Though the most recent government initiative, the President's Leadership Program (PLP), is in its very early months and is thus still too recent to assess its impact, it is still mentioned here as an indicator of governmental awareness of the problem. This PLP initiative also shows a welcome direction of integrating youth by preparing their participation in high policy-making circles. Hopefully then, by having (youth) policy-makers who can empathize with their group's problems and priorities, these problems and priorities will be tackled much more effectively.

Officially, youth problems have been part of both academic research and policy-making in Egypt (e.g. accumulated analysis of education, the drug problem, etc.). However, there is an increasing emphasis at present on the Youth dimension of these problems, especially unemployment. More specifically, the new approach is the official and declared intent to include youth in policy-making.

Going through the recent literature and the different media sources, almost all stakeholders have agreed that the government's policies have been changing slightly towards such inclusion for youth. The President seems to be more aware of youth power and potential, as seen from his speeches and decisions. Although, there aren't specific laws for youth involvement in the country -as he also highlighted- he did see some encouraging signs

of supporting youth involvement/empowerment from the new elections law for both parliamentary and local councils.

Moreover, some government policies towards youth have slightly changed, and there is a real interest among ministries to collaborate and empower youth. For instance, there have been real steps and examples that include innovating the new position of a minister's advisor for youth and the new program of forming youth leaders to play a role in the local government³. However, two prominent youth policy-makers interviewed (a former Minister of Youth and an equivalent at highest policy-making level) again mentioned the need for the development of a National youth Policy that identifies youth problems, aspirations and especially a specific plan to address these challenges. It is known that the former NDP (National Democratic Party) has indeed produced a national youth policy but it was never implemented. This gap between an adopted policy and effective action on the ground has to be narrowed down, and hopefully eliminated. How is the new Presidential Leadership Program coping with this policy/action gap to an effective step in this direction?

If we look at the current overall picture, Egypt seems to suffer from a youth structural problem that is projected on other aspects of social life. This vicious cycle starts from education to job opportunities to creating a caliber that is able to serve and efficiently develop his field of specialization. The solution appears to be vested in some type of governmental and non-governmental collaboration to offset bureaucratic obstacles and red carpet and efficiently produce the entrepreneur into a caliber that is able to lead. The very recent Presidential Leadership Program (PLP) that was introduced by the President could indeed be a light at the end of the tunnel, or a microcosm of what is to be part of the solution. The PLP was introduced only in September of last year and the first round with the recruitment after serious admission tests of 500 people has only begun in February this year, so it may be a bit still too recent to be assessed. Some participants' experience show that in design and early application show that this policy initiative coming from the very top of decision-making is indeed a crucial point that can potentially act as a game-changer. This Presidential Leadership Program is designed to attract youth between the ages of 20-30 with a university degree of all universities and all governorates; the applicant should be Egyptian only. The only prerequisite to join the program is to actually have a university degree. It is basically a program that aims at training youth and empowers them in three main areas: political, social and managerial issue-areas. The program lasts for eight months, where the

participants are introduced to a number of classes discussing topics such as: strategic management, human resources management, challenges of change and impact on management, soft skills, policy-making and resources from Political Science, Economics approach and methodology in facing up to economic challenges, and more. The program depends on the experiential learning idea where the participants have access to specific data as well as people working in the policy making process.

This most recent initiative coming from the top is an example of government intervention to regulate and produce the cadre that can lead to change in policy-making related youth in the future. The program is offered free of charge and is expected to have a cycle of 8 months, with people graduating with a certificate to acknowledge their skills that are measured through different types of assessment. The program is expected to have a number of cycles. The first group of applicants are already going through their learning process and are expected to finish the program by November of this year. The evaluation of the impact of the program will need obviously to wait beyond November to measure its effectiveness in policy-making, compared to previous declared programs.

It is noteworthy that the present youth initiative is not the first of its kind in Egypt as the former NDP regime with Gamal Mubarak (President Mubarak's son and deemed to be his heir-apparent) established a similar program. This is why the crucial question, however, is how this new program functions and impacts youth after their being such a crucial political actor in the "Arab Spring". A systematic comparison to answer this question could be the subject of another paper on youth empowerment once the present PLP is alive and kicking.

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Endnotes

1. World Bank, World Development Indicators, Unemployment, Youth total (% of total labor force ages 15-24) (modeled ILO estimate), Egypt. <http://data.worldbank.org/indicator/SL.UEM.1524.ZS/countries/1W-EG?display=graph>
2. Kassem, Taha. (2014), Formalizing the informal Economy: A Required State Regulatory and Institutional Approach Egypt as a Case Study. International Journal of Humanities and Social Sciences (IJHSS), Vol. 4: (1).
3. PLP, please check the last paragraph where the program is better explained. Note that at the time the interview was conducted, this program was not announced yet and has not started.



Researching
Arab Mediterranean Youth:
Towards a New Social Contract



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The SAHWA Project (“Researching Arab Mediterranean Youth: Towards a New Social Contract”) is a FP-7 interdisciplinary cooperative research project led by the Barcelona Centre for International Affairs (CIDOB) and funded by the European Commission. It brings together fifteen partners from Europe and Southern and Eastern Mediterranean countries to research youth prospects and perspectives in a context of multiple social, economic and political transitions in five Arab countries (Morocco, Algeria, Tunisia, Egypt and Lebanon). The project expands over 2014-2016 and has a total budget of €3.1 million. The thematic axes around which the project will revolve are education, employment and social inclusion, political mobilisation and participation, culture and values, international migration and mobility, gender, comparative experiences in other transition contexts and public policies and international cooperation.

