

## Chapter 4 EMPLOYMENT

### 4.1 INTRODUCTION

As young people begin to enter the labor force, Egypt is faced with the demographic opportunity of a growing working-age population, and at the same time, the challenge of integrating large cohorts of young people into the labor market. Although some of the largest youth cohorts have already reached working age and unemployment rates have declined since the late 1990s (Assaad 2007), continued monitoring of labor-market conditions as the youth bulge ages is critical for several reasons. Recent analyses have indicated that unemployment in Egypt is largely a problem of the entry of the young into the labor market (Assaad 2007; 2009). Hence, it is important to track these cohorts to see not only if and how rapidly they are being absorbed into the labor market, but also what kinds of outcomes they are achieving. A large proportion of the young end up with low-quality jobs and wages that are insufficient for starting families and completing their transition to adulthood. Poor labor-market outcomes thus contribute to broader process of social exclusion (Assaad and Barsoum 2007; Assaad et al. 2009). The youth-employment challenge stands at the top of the policy agenda.

Additionally, a new labor law was enacted in 2003 that was expected to have led to greater formalization of employment. It would be interesting to investigate the effect of this law using the data from the SYPE. The main focus of this chapter is, therefore, working youth aged 15-29.

### 4.2 LABOR-FORCE PARTICIPATION

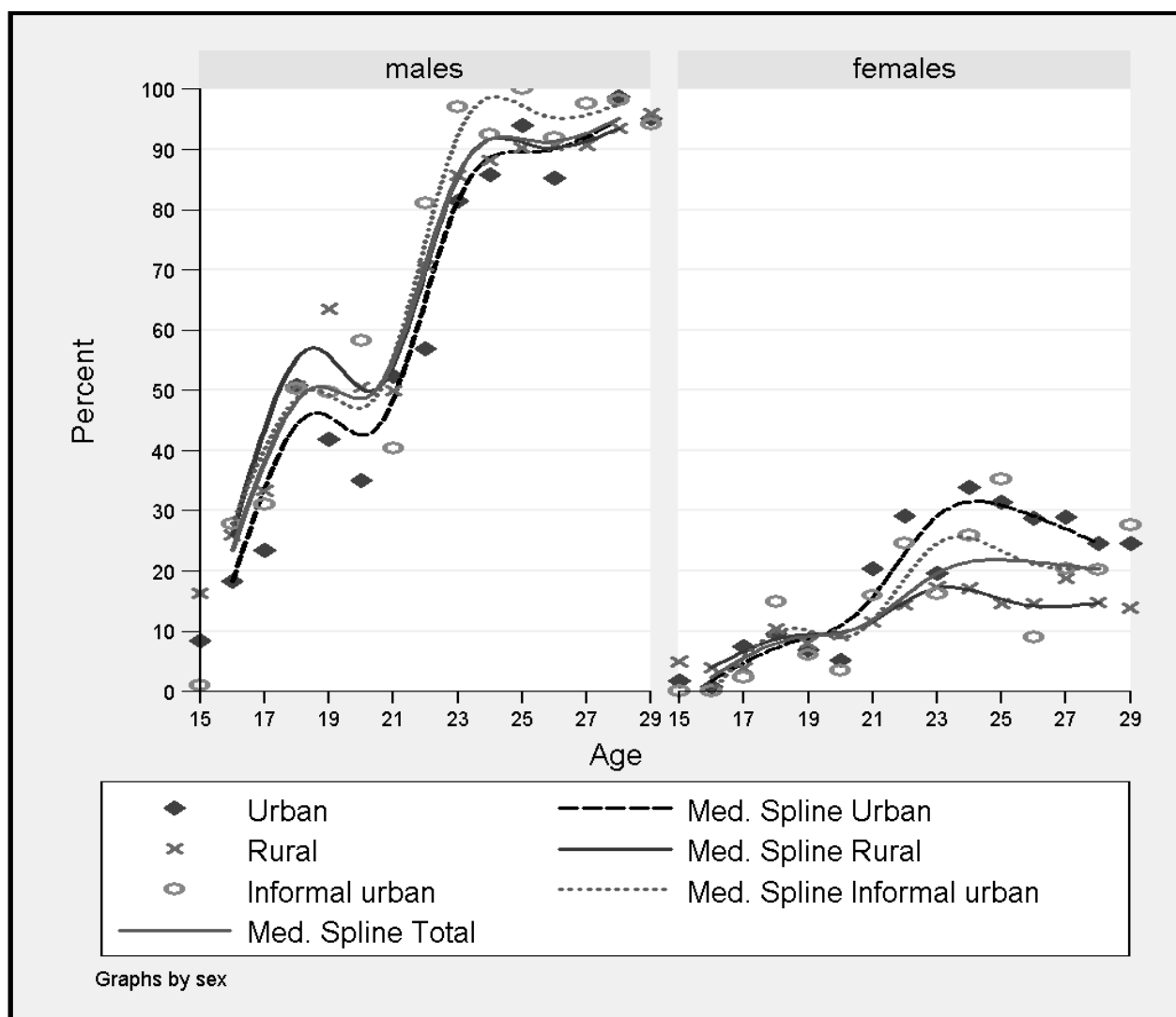
Throughout the report we focus on market work, that is, economic activity engaged in for the purpose of market exchange or seeking such work.

The labor-force participation rate among young people aged 15-29 is 37.9%. Participation among females is strikingly low, at just 13.4% of all female youth. Among male youth, in contrast, 61.4% are in the labor force.<sup>23</sup> Breaking these figures down by age and residence, in Figure , we see that, as expected, participation increases dramatically among males as they get older; they become much more likely to participate in the labor force when they are past school age. For female youth, however, participation remains below 20% for all age groups, indicating that even after they finish school, many females are not entering the labor force. Even among those who are not in school only 17.6% of female youth aged 15-29 are economically active. This is approximately one-fifth the rate of activity among non-student males (86.3%). Female youth aged 25-29 in particular are much less likely than their male peers to be economically active. The residence breakdown shows that while rural and informal urban males have higher rates of activity than urban males, rural females have lower rates of activity than urban females.

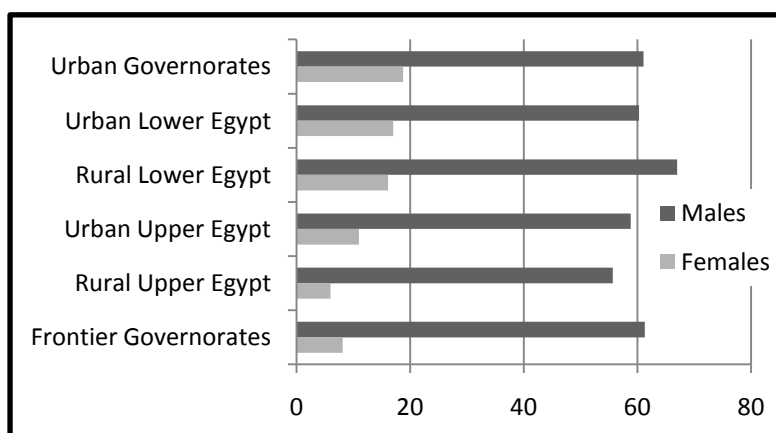
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<sup>23</sup> Throughout this report, when we discuss labor-force participation, we are using the standard definition of participation, based on standard unemployment. See the unemployment section for a discussion of unemployment definitions.

**Figure 4.2.1 Median splines of standard labor-force participation, by sex and residence among respondent aged 15-29, Egypt, 2009**



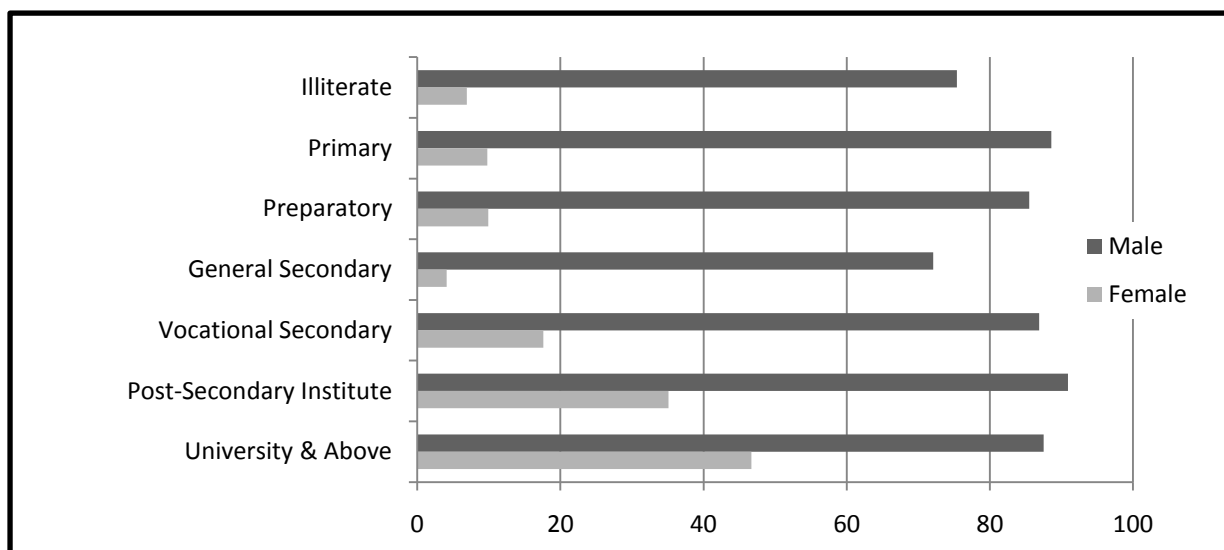
**Figure 4.2.2 Labor force participation, by sex and region among respondents aged 15-29, Egypt, 2009**



Although the rate of female activity is low everywhere, females are least likely to be economically active in rural Upper Egypt and the Frontier governorates, where only 6.0% and 8.1%, respectively, of females participate in the labor force (see Figure 4.2.2).

Because many young people are currently in a non-final stage of education, we focus on education and labor-force participation among non-students (see Figure 4.2.3).

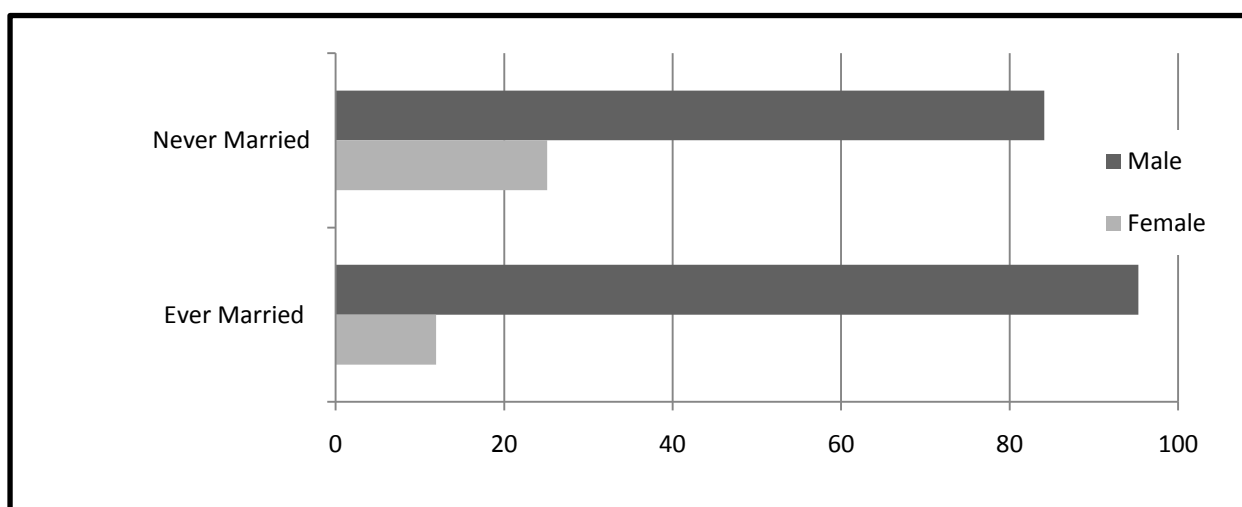
**Figure 4.2.3 Non-student labor-force participation, by sex and educational level among respondents aged 15-29, Egypt, 2009**



For non-student male youth, labor-force participation is lowest among those with a general secondary education, which is usually not a terminal degree (Figure ). Male participation is above 80% for most other educational groups. The highest participation rate is observed among those with post-secondary education. In contrast, the female youth participation rate is less than 10% among those with general secondary or below secondary education. Economic activity increases to 17.6% among females with vocational secondary degrees, 35.1% among those with post-secondary vocational education and to 46.7% among university graduates. This encouraging finding indicates that females with higher educational attainments are more likely to work, even though over half of them remain out of the labor force.

Turning to labor-force participation by marital status (Figure 4.2.4), we also focus on non-students, because a large percentage of never-married youth are still students and are economically inactive. Married females compose a large proportion of those who are

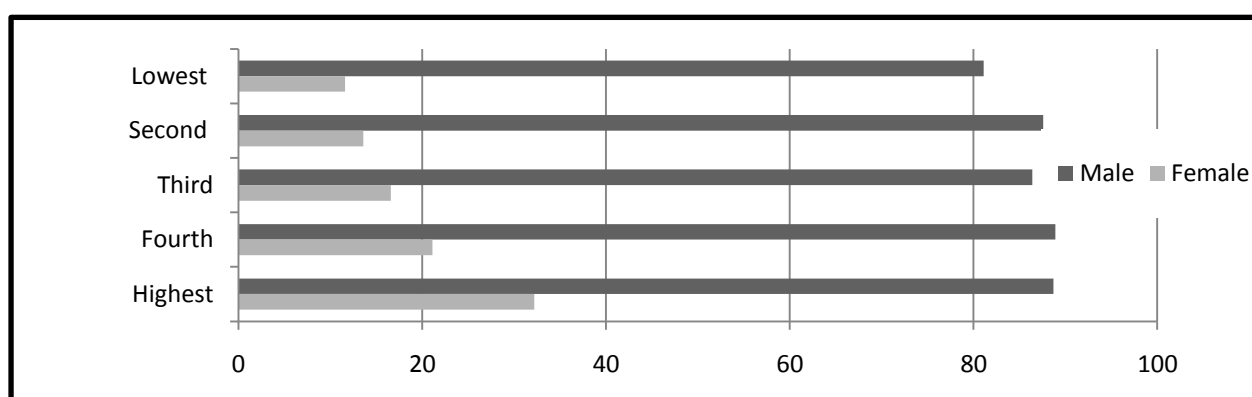
**Figure 4.2.4 Non-student labor-force participation, by sex and marital status, Egypt, 2009**



economically inactive, and correspondingly have a lower labor-force participation rate than that of unmarried females. Economic activity is 25.1% among never-married females and drops to 11.9% among ever-married females, suggesting that females may quit work when they are married. The opposite pattern is observed for males. While only 84.1% of never-married male non-students are in the labor force, 95.3% of ever-married males are economically active. This finding fits expectations, because finishing education and having a job are generally considered prerequisites for males to marry in Egypt.

Finally, for the distribution of economic activity across wealth quintiles, we focus on non-students because the proportion of youth who are still students is likely to be positively associated with wealth and, hence, figures for students may represent a distorted picture of the relationship between wealth and economic inactivity. Among non-students (see Figure 4.2.5), young males in the highest two wealth quintiles are more likely to be active. A strong relationship is more apparent among females. About 32.2% of females in the highest quintile are economically active, compared to a decreasing percent between 21.1% and 11.6% of females in each of the lower quintiles.

**Figure 10 Non-student labor-force participation, by sex and wealth quintile among respondents aged 15-29, Egypt, 2009 ages 15-29**



Comparable data from the 2006 Egypt Labor Market Panel Survey (ELMPS) allow us to use SYPE data to examine changes in young people’s labor-market participation in the aftermath of the recent global financial crisis and food and energy price shocks. Using ELMPS data, Assaad and Barsoum (2007) found that labor-force participation rate was 22.3% for females and 63.1% for males. Among females, participation seriously deteriorated during the three years between the ELMPS and SYPE surveys, resulting in a dramatic nine percentage point decline in the ratio of labor force to population, from 22.3% in 2006 to 13.4% in 2009. Males also decreased their participation slightly to 61.4%.

### 4.3 EMPLOYMENT

This section investigates the job characteristics and work conditions of young people who are currently employed, addressing issues such as sector of employment, formality and informality, job security, and problems experienced at work. Because job quality is such a critical issue for young people in Egypt, and especially for females (Assaad et al. 2009; Barsoum et al. 2009), the distribution of these characteristics across different groups has important implications for their transitions to adulthood and future labor-force participation.

A comparison of data from SYPE and the 2006 ELMPS indicates that the employment situation for both male and female youth deteriorated between 2006 and 2009, with females being particularly hard hit. In 2006, among 15–29-year-olds, 14.1% of females were employed compared to 57.0% for males in the same age group. For male youth in 2009, the percent employed had declined to 53.7%, and for females it was 9.1%, down five percentage points from 2006. The largest decline for females has been among unpaid family workers, which dropped from 5.3% of all young females in 2006 to 0.6% of all females in 2009.<sup>24</sup>

Table 4.3.1 presents employment structure by sex for all employed youth aged 15-29. A formal job is defined as a job in which the employee has either a contract or social insurance. Regular work is either permanent or temporary, as opposed to irregular work, which is casual or seasonal.

<b>Table 4.3.1 Percentage of employed youth aged 15-29, by type of employment and sex ( market labor force definition)</b>			
<b>Employment</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Government	8.3	35.0	12
Public enterprises	1.5	2.7	1.7
Formal private regular wage	7.9	11.8	8.4
Informal private regular wage	44.4	32.2	42.7
Irregular Wage	25.0	7.9	22.6
<b>Total wage work</b>	<b>87.0</b>	<b>89.6</b>	<b>87.4</b>
Unpaid family worker	9.3	6.9	9
Self-employed /employer	3.7	3.5	3.6
<b>Total non-wage work</b>	<b>13.0</b>	<b>10.4</b>	<b>12.6</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Number of employed respondents</b>	<b>2,727</b>	<b>574</b>	<b>3,301</b>

Young females are much more likely to be employed in the public sector; 35% of females work in this sector compared to 8.3% of males. Only 7.9% of male youth and 11.8% of female youth have formal regular private-sector jobs. Almost half of employed males (44.4%) and a third of employed females (32.2%) work in informal private regular wage jobs, without the benefits of contract or social insurance. Also, a fourth (25.0%) of employed males and 7.9% of employed females work in irregular wage jobs, which in

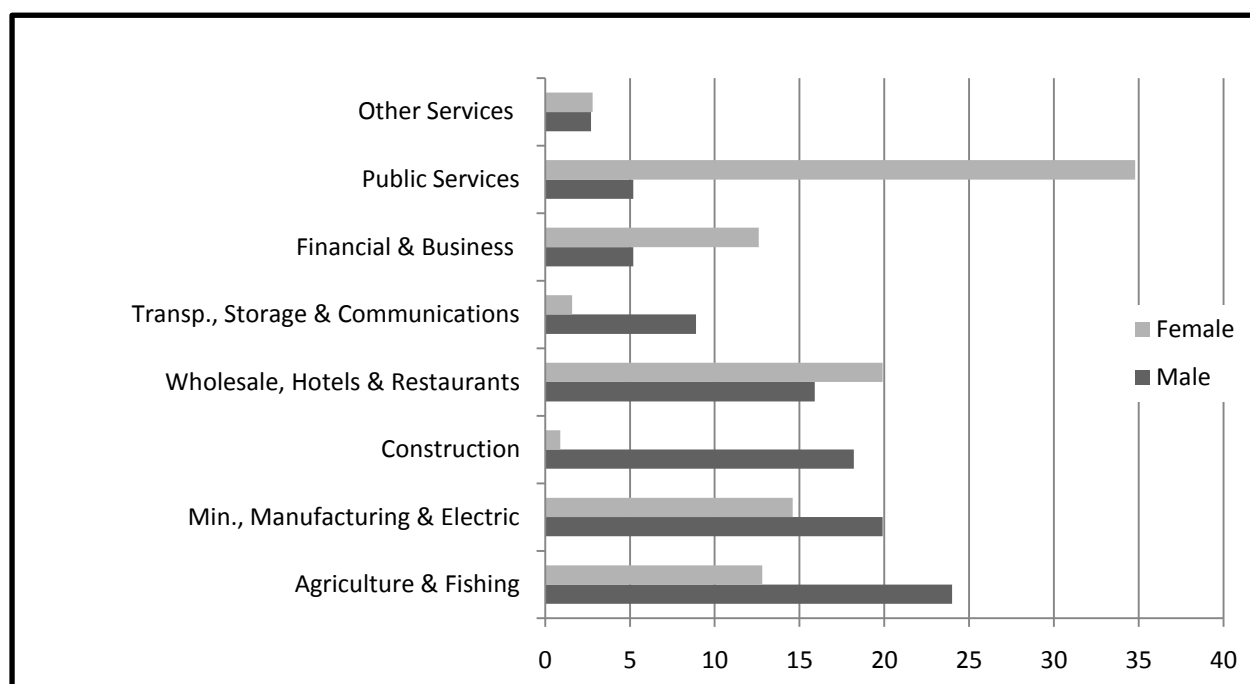
addition to being informal are extremely unstable. In total, 87.0% of employed males and 89.6% of employed females work in these sorts of jobs.

This proportion leaves 13.0% of employed males and 10.4% of employed females working without pay. Among employed youth, 9.3% of males and 6.9% of females work as unpaid family workers. A small percent, 3.7% of employed males and 3.5% of employed females, work as employers or are self-employed.

<sup>24</sup> Several factors may have contributed to this sharp drop, especially among females. When the SYPE was fielded in May of 2009, because of avian flu, the government prevented poultry farming in houses. Poultry farming at home is a major source of unpaid family work, especially among females. Additionally, this time was very close to when exams were to be given, which might have curtailed unpaid family work.

Young people’s economic activity is presented as a detailed eight-category variable (see Figure 4.3.1). Young females are heavily concentrated in the service sector (all economic activities except agriculture, manufacturing, and construction are considered services), where 71.7% of young employed females work. Males are more evenly distributed across the sectors of agriculture, industry (manufacturing and construction), and services. While relatively similar proportions of females and males are in the manufacturing sector, construction is dominated by males. In the services sector, we see that a large proportion of females are employed in the “other economic activity” category, which includes public administrative jobs, education, health, and social work.

**Figure 4.3.1 Economic activity, by sex among respondents aged 15-29, Egypt, 2009**



As Table 4.3.2 shows, only 15.7% of employed youth in Egypt have a contract job. Females are more likely to have a contract job than males because they tend to wait for formal jobs or exit the labor force altogether. Most of this difference occurs in the private sector, where females are two times more likely to have a contract than males (14.1% of females in the private sector compared to 6.7% of males in the private sector), probably indicating that they are less likely to accept a job that does not have a contract. Two-thirds of both male and female public-sector workers have contracts. For about half of the youth with contracts, the contracts are of unlimited duration, despite the recent labor law that made defined-duration contracts easier to implement. Among the rest, females are somewhat more likely than males to have such defined-duration contracts. The prevalence of social insurance among employed youth is closely linked to having a contract. Thus, just under one-third of employed females have social insurance, compared to 12.5% of employed males.

<b>Characteristic</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
<b>Formal job characteristics</b>			
Contract	12.9	32.7	15.7
Social insurance	12.5	28.6	14.8
<b>Job stability</b>			
Permanent	53.3	55.2	53.6
Full time among permanent jobs	83.4	58.0	79.8
Part time among permanent jobs	16.6	42.0	20.2
Temporary	19.5	35.2	21.7
Seasonal	1.6	3.5	1.9
Casual	25.6	6.1	22.9
<b>Work that requires skill</b>	50.7	41.6	49.4
<b>How did you learn skill?</b>			
Education	36.5	76.6	41.2
Apprenticeship	48.0	5.9	43.1
<b>Does your current job include training?</b>			
Public	39.8	43.2	40.3
Private	62.3	61.9	62.2
Total	37.4	32.3	36.8
Total	100.0	100.0	100.0
Number of respondents	2,727	574	3,301

Males and females are almost equally likely to have a permanent position, but among those with permanent jobs, females are considerably more likely to work part-time, defined as less than 40 hours per week. Overall, 20.2% of those with permanent positions work part-time. About 42.0% of females in this category work part time, compared to only 16.6% of males, demonstrating a clear gender gap. The data also show that for 91.8% of the males and females who are employed part time, their hours are driven by their job circumstances, in other words, they work part time involuntarily. The higher rate of part-time work among females suggests that they have a particularly hard time finding jobs that fill their desired number of working hours. Higher rates of part time work can also result from females' preference for more flexible jobs that are more compatible with their gender and family roles.

Females are also less likely to have a job that requires a special skill than are males. As shown in Table 4.3.2, 50.7% of males have a job that required a skill prior to obtaining the position, compared to 41.6% of females. The majority of these females, 76.6%, had learned the skills they need through education.<sup>25</sup> Among males with such positions, in contrast, 36.5% learned their skills through education and 48.0% through apprenticeship.<sup>26</sup> However, males and females are equally likely to receive training in their current job; overall 43.2% of females and 39.8% of males received training. While approximately two-thirds of youth of both sexes received training in the public sector, only 36.8% of males and 32.3% of females employed in the private sector did.

Table 4.3.3 presents the percentage of employed youth who responded "yes" to a variety of questions related to other aspects of their working conditions. Youth of both sexes were more likely to complain of maltreatment in the private sector. There is no gender

<sup>25</sup> Education consists of regular schooling, organized technical education, language courses/programs, computer courses/programs, and secretarial courses/programs. Multiple responses were allowed concerning how the respondent acquired his/her required job skills.

<sup>26</sup> Apprenticeships were found either through a contractor or through a craftsman. Multiple responses were allowed concerning how the respondent acquired job skills.

difference in the experience of harsh treatment by supervisors in the public sector; however, females in the private sector are slightly more likely than males to say they experienced harsh treatment. Likewise, both male and female youth were more likely to experience long work hours or an exhausting workload in the private than the public sector. Females in both the private and public sectors were more likely than males to report having to work long hours and endure exhausting workloads, possibly because of the added burden of the housework that they carry out. That over half of females employed in the private sector complained of long hours may help to explain females' continued preference for public-sector work. Females were also slightly more likely to perceive that their job conditions are hazardous.<sup>27</sup>

**Table 4.3.3 Percentage of young people aged 15-29, by sex and population sector reporting specific working conditions, Egypt, 2009**

Condition	Males		Females		Total	
	Public	Private	Public	Private	Public	Private
Harsh treatment from supervisor(s)	18.0	21.0	18.0	25.0	18.0	21.0
Long working hours	28.0	41.0	32.0	52.0	30.0	42.0
Exhausting workload	29.0	38.0	40.0	45.0	33.0	38.0
Hazardous work conditions	6.0	9.0	5.0	5.0	6.0	9.0
Low wage	53.0	52.0	60.0	59.0	56.0	53.0
Wage not paid after finishing a task	1.0	5.0	5.0	4.0	3.0	4.0
Wage not specified at the beginning of job	1.0	4.0	2.0	6.0	1.0	4.0
Long commute time	19.0	15.0	28.0	20.0	23.0	15.0
Mild harassment from colleagues/supervisor*	12.0	10.0	12.0	9.0	12.0	10.0
Harassment from colleagues/supervisor	0.0	2.0	1.0	4.0	1.0	2.0
Mild harassment from customers/clients*	7.0	16.0	6.0	11.0	7.0	16.0
Harassment from customers/clients	1.0	2.0	1.0	4.0	1.0	2.0
Harassment during commute	1.0	1.0	3.0	6.0	2.0	1.0
<b>Number of respondents</b>	281	2,445	223	351	504	2,796

\*Mild harassment refers to any type of verbal or visual harassment.

A majority of the young of both sexes in both sectors said that their salaries were low. Low recompense appears to affect both males and females equally. Similarly, males and females were equally likely to complain of non-payment of wages or of employers' failing to specify a wage prior to the completion of work. Both types of wage irregularities were experienced more commonly in the private than in the public sector.

Females were more likely to say that they had a long commute time, particularly those employed in the public sector. Females will take public-sector jobs wherever they are located, but restrict themselves to a geographical area closer to home when searching for private-sector employment.

The issue of sexual harassment on transportation, in workplaces, and in other public spaces is crucial for young women in Egypt; and is popularly perceived to be a problem for working women in particular (ECWR, 2008).<sup>28</sup> However, the data from SYPE's module on work indicate a low incidence of harassment at work, with no more than 12% of employed

<sup>27</sup> These findings corroborate those of with Amin and Al Bassusi (2004), who argue that work conditions in parts of the private sector are unsuitable and hard.

<sup>28</sup> A previous study of harassment in Egypt found that 83% of females said they had ever been harassed and 46% said they were harassed daily (ECWR, n.d.). However, this study was carried out in several urban areas around Cairo, where harassment is more prevalent than it is in other areas. In SYPE, 65% of females in the urban governorates reported ever having experienced harassment, as did 73% of females in Cairo.



women reporting any type of harassment in either the public or private sector, and the proportion of more serious harassment is seemingly insignificant. The sex differential in reporting of harassment is also small; in some categories males even report more harassment than females. This may have resulted from males understanding the term “harassment” differently, possibly thinking that it means fighting or arguing. Also, the low incidence of female workplace harassment may be due to females not feeling comfortable about reporting harassment.

The issue of sexual harassment is also discussed in chapter two, drawn from the risk and safety module of the SYPE questionnaire. The detailed probing of that module proved to be better, relative to the direct questions of SYPE’s module on work, in capturing higher frequency of sexual harassment experienced by employed women.

Overall, it seems some kind of harassment risk exists for employed women, and more such risk exists for women employed in the private sector. The harassment risk can significantly discourage women from seeking employment, particularly in the private sector.

#### 4.4 CHILD WORK

The analysis in this chapter focuses on the legally working 15-29 age group. However, despite improvements in school enrollment and child labor laws in recent years, child labor persists as a problem in Egypt (Zibani 2002). According to the SYPE, about 3.0% of children aged 10-14 are currently employed (5.0% of males and 1.0% of females). Table 4.4.1 presents the composition of child work by background characteristics.

Child work is primarily a rural phenomenon; 80.2% of working children live in rural areas. Child work is common in both rural Lower and rural Upper Egypt. Many working children have some schooling or are currently in school. However, 13.6% of child workers are illiterate.

Children engage exclusively in two types of work, wage work (57.6%) and unpaid family work (42.4%). Female child workers are much more likely to be in wage employment than males (71.2% of female compared to 55.0% of males). There is a strong wealth dimension to child work. Although it is found in all

**Table 4.4.1 Composition of child work, by sex and background characteristics among respondents aged 10-14, Egypt, 2009<sup>29</sup>**

Characteristic	Males	Females	Total
<b>Urban/rural residence</b>			
Urban	18.0	24.8	19.0
Rural	81.2	75.2	80.2
Informal urban areas	0.9	0.0	0.7
<b>Region</b>			
Urban governorates	18.5	24.8	19.5
Lower Egypt	47.9	15.7	42.9
Urban Lower Egypt	0.3	0.0	0.3
Rural Lower Egypt	47.6	15.7	42.6
Upper Egypt	32.6	59.5	36.8
Urban Upper Egypt	0.0	0.0	0.0
Rural Upper Egypt	32.6	59.5	36.8
Frontier governorates	1.0	0.0	0.8
<b>Education</b>			
Illiterate	10.7	29.4	13.6
Read and Write	22.3	4.9	19.6
Primary	59.6	65.7	60.6
<b>Employment status</b>			
Waged employment	55.0	71.2	57.6
Unpaid family worker	45.0	28.8	42.4
<b>Wealth quintile</b>			
Lowest	36.7	69.7	41.9
Second	27.9	18.9	26.5
Third	25.7	1.6	21.9
Fourth	7.7	4.7	7.2
Highest	2.0	5.2	2.5
<b>Total</b>	100.0	100.0	100.0
<b>Number of children</b>	90	18	108

<sup>29</sup> One should be careful when using the figures of this table due to the small sample size of working children

wealth quintiles, more than 90% of working children are from the bottom three wealth quintiles.

#### 4.5 UNEMPLOYMENT

Unemployment is primarily a youth problem. At least 90% of the unemployed in Egypt are young people (UNDP and INP, 2010). In this chapter, we use two definitions of unemployment: the standard and the broad definitions. Both definitions require that the individual not have worked or been attached to a job during the week prior to the interview and to have desired work and been available for it. The standard definition also requires that the individual has actively searched for work.<sup>30</sup> The broad definition loosens the search requirement to include the discouraged unemployed, those who are no longer actively searching for a job. Therefore, the broad definition should yield a higher unemployment rate. Although we focus on the standard definition, we incorporate this broad definition because conventional job-search methods may not be relevant in developing economies such as Egypt, where unemployment rates are high and informal work is common (Tansel and Tasci 2010). Furthermore, there is a large number of discouraged unemployed in Egypt, making this an important population to study.

The differences in the two unemployment rates are often significant. Under the standard market definition, the total youth unemployment rate is 15.8%, but the rate rises to 21.5% using the broad market definition, indicating that a large number of discouraged unemployed youth exist in Egypt. The male youth unemployment rate is 12.5% under the standard market definition and 16.4% under the broad market definition, which is understood to be high. However, among female youth the unemployment rate is more than double that of males: 31.7% under the standard definition and 42.7% under the broad definition. Comparing this pattern with the ELMPS, in 2006, the percent of the unemployed population was 8.2% for females and 6.1% for males. In 2009, the percent of the young unemployed population went up to 7.7% for males and down to 4.3% for females. However, this decline in unemployment for females is more than offset by the increase in the population outside of the labor force.

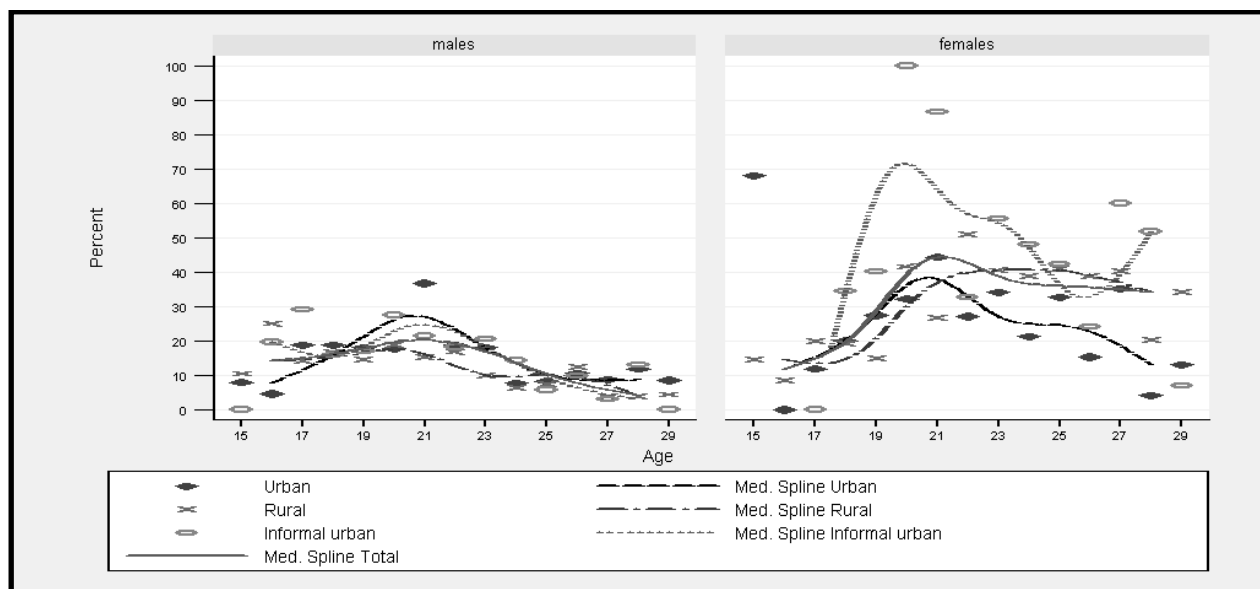
Examining unemployment by age shows the difficulty the young, especially females, face in finding work. Male unemployment remains extremely high, greater than 15%, through age 23 (Figure ). The unemployment rates then drop, and remain just below 10% by age 25. Females, on the other hand, experience rising unemployment rates as they age. While younger groups, through age 19, average around 20% unemployment, the rate thereafter averages between 30% and 40% until the ages when they begin to marry and drop out of the labor force altogether.

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<sup>30</sup> Because of a bad skip pattern in the SYPE questionnaire, of the 878 respondent aged 15-29 who were ready and willing to work, only 712 were asked questions about job seeking. The other 166 had worked before; therefore, unemployment and resulting labor-force participation numbers assume that only those who were asked about seeking jobs and were not doing so are not searching. The 166 workers currently not working and ready and wanting to work were assumed to know how to search for a job and be searching, given their previous work experience. The search questions were "Have you searched for a job by registering with a government employment office?" and "Have you used any of the following methods in your job search during the past three months?" [methods are listed in Table 4.7.1]. Those who responded "yes" to either question (any method) were considered to be searching for work.

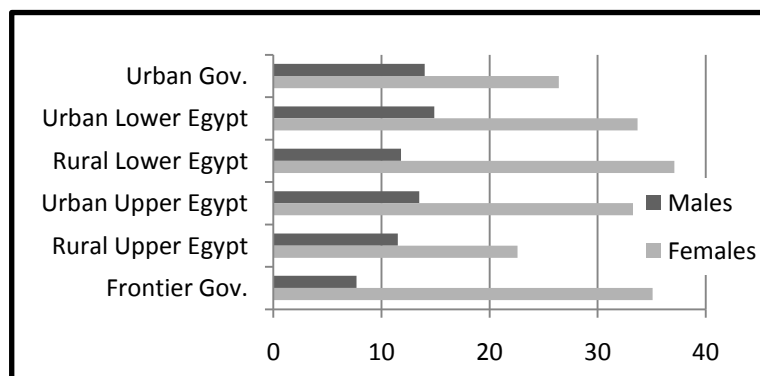
In a pattern similar to that of labor-force nonparticipation, rural males are less likely to be unemployed than urban males. While their rates are similar at the oldest and youngest ages, during most of their twenties urban males experience higher unemployment rates. The different urban/rural patterns likely reflect the fact that urban youth are more educated and may be waiting to find better jobs. Youth in rural areas may have lower unemployment rates because of their greater willingness to accept low-quality jobs in the light of their lower educational attainment and more widespread poverty.

**Figure 4.5.1 Median splines of standard unemployment by sex, residence, and age among respondents aged 15-29, Egypt, 2009**



Informal urban-area youth, both males and females, experience particularly high unemployment rates at younger ages. Rural females, and especially informal urban-area females, are more likely to be unemployed than their urban counterparts, with rates diverging as they age. Informal urban-area females are the most likely to be unemployed, with a rate of 44.1% over all ages under the standard definition.

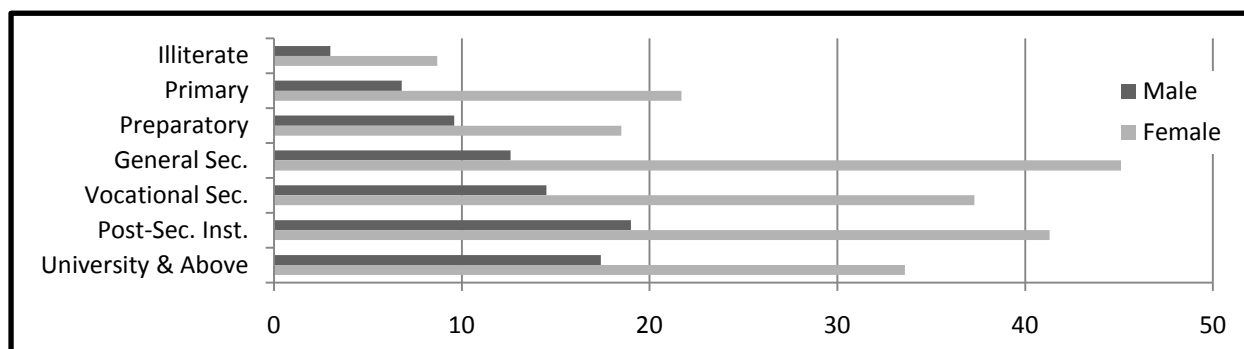
**Figure 4.5.2 Standard market unemployment rates by sex and region of residence among young people aged 15-29, Egypt, 2009**



While regional variations also fall along urban and rural lines for males, there is some important regional variation in female unemployment rates (see Figure 4.5.2). Females in rural Lower Egypt experience particularly high rates of unemployment (37.1%), especially compared to those in rural Upper Egypt (22.6%). The unemployment rates of females in urban Lower Egypt (33.7%) and urban Upper Egypt (33.3%) are higher than those in the urban governorates (26.4%).

Unemployment generally increases with education. Illiterate males and females, and below- secondary-educated males, are the only groups that experience unemployment rates of less than 10% (Figure 4.5.3). This concurs with Assaad and Barsoum’s (2007) argument that unemployment is a problem of educated youth, because their higher employment expectations collide with difficult labor-market conditions. Unemployment is, therefore, more of a skill-mismatch problem for better-educated Egyptian youth. Among males, unemployment rises steadily with education, aside from a particularly high rate (19.0%) among post-secondary institute youth. All females with more than secondary

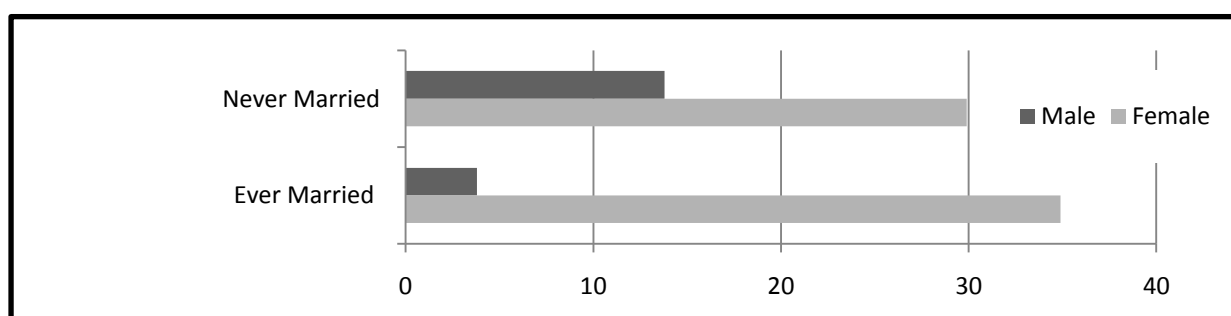
**Figure 4.5.3 Standard market unemployment, by sex and educational level among young people aged 15-29, Egypt, 2009**



education experience unemployment rates greater than 30%. General-secondary-educated females experience the highest unemployment at 45.1%, followed by post-secondary institute graduates at 41.3%. Vocational-secondary-educated females have an unemployment rate of 37.3%, which is higher than university females (33.6%). While the gender gap in unemployment persists across all levels of education, it narrows slightly at higher levels of education. For instance, among university graduates, the female unemployment rate is twice that of male unemployment; however, among illiterate youth, the female rate of unemployment is three times that of males.

There is a particularly large gap between the standard and broad definition of unemployment rates among females with a very low education, suggesting that many of these females are not actively searching for work. Among illiterate females, for example, by the standard market definition the unemployment rate is 8.7% but by the broad market definition the rate is 20.5%. Both males and females with vocational secondary education have very high unemployment rates, at 18.5% and 51.2%, respectively, under the broad definition.

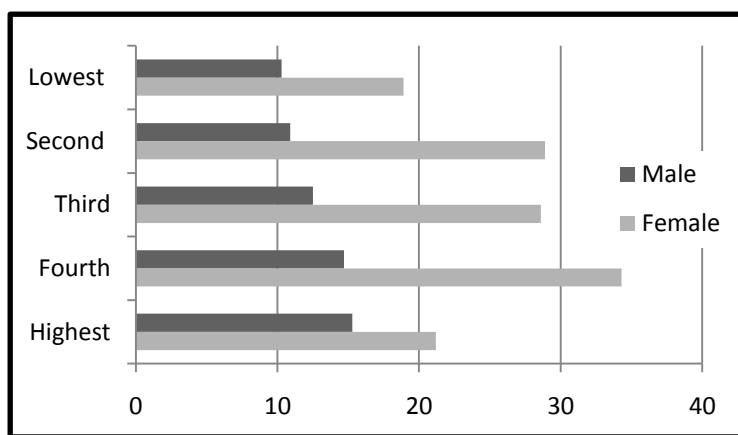
**Figure 4.5.4 Standard unemployment by marital status and sex among young people aged 15-29, Egypt, 2009**



The unemployment rate by marital status differs dramatically between the sexes (Figure 4.5.4). The unemployment rate for never-married males is much higher than that of ever-

married ones (13.8% and 3.8% based on the standard unemployment definition, respectively). This reflects the fact that it is difficult for unemployed young males to marry, especially given the high cost of marriage in Egypt (Assaad and Barsoum 2007). As for females, the unemployment rate is higher among the ever-married. Thus, not only are ever-married females more likely to be economically inactive, as shown above, but they are also more likely to be unemployed. Their higher rate of unemployment can result from their being more likely to register at a government office to queue for government-sector jobs, which are more compatible with married life. Therefore, it seems that upon marriage, some females either exit the labor force or remain unemployed until finding a family-compatible job. It is also possible that married females are more likely to be unemployed because employers prefer to hire single females.

**Figure 4.5.5 Standard unemployment by wealth quintile and sex among young people aged 15-29, Egypt, 2009**



Finally, the unemployment rate among young males is lower among those in lower wealth quintiles, suggesting that those who are better off can afford to wait for a good job (Figure 4.5.5). Due to the correlation between wealth and educational attainment, the wealthy may also be those with higher employment expectations. Among females, there is also a positive relationship between wealth and unemployment that holds up to the

fourth quintile. However, unemployment declines significantly for females in the highest wealth quintile. These females have the lowest unemployment rate of all, at 21.2% based on the standard unemployment definition. The better employment prospects enjoyed by the wealthiest females explain why they are less likely to withdraw from the labor force, as demonstrated above.

The duration of an individual's unemployment has been unemployed, is also an important measure of unemployment. Long periods spent in unemployment represent a serious economic problem. The average duration of unemployment (by the standard definition of unemployment) among the young in Egypt is 120 weeks, more than two years. Females consistently have longer average durations of unemployment, with their overall average duration being 141 weeks, or nearly 2.75 years, compared to 109 weeks—just over 2 years—for males. Overall the highest average unemployment duration for youth are in urban Lower and urban Upper Egypt. The average duration of unemployment is longest for female vocational secondary graduates (175 weeks), while male vocational graduates average 115 weeks. The young of both sexes in the highest wealth quintile also have the shortest average unemployment durations; 80 weeks for males and 115 weeks for females. This finding may indicate that the wealthiest females have stronger networks of family and friends that can help them find good jobs in a shorter time.

#### 4.6 REASONS FOR UNEMPLOYMENT

Table 4.6.1 presents the main reason that currently unemployed young males and females gave for not having a job. The majority (70.0%) said they were unemployed because there

was no work available at all; females were slightly more likely to give this reason. This very high rate of involuntary unemployment explains why there is so much discouragement among the young: many simply do not think there are jobs to be had. Among the remainder of unemployed youth, females were most likely to have said that they could not find a job suited to their qualifications, whereas males were most likely to report not being able to find a job with a suitable wage. However, as expected, university graduates of both sexes were almost two times more likely than others to say that they could not find a job suitable to their qualifications, with 12.7% of male graduates and 23.4% of female graduates giving this reason. The university-educated were correspondingly less likely to say that there was no work available at all. Therefore, as mentioned above, for university graduates, unemployment is more of skill-mismatch issue.

<b>Reason</b>	<b>Males</b>	<b>Females</b>	<b>Total</b>
No work available at all	68.4	72.4	70.0
No work suitable to experience/qualifications	4.0	12.6	7.5
No work with suitable wage	22.5	8.1	16.6
No work in a suitable workplace	2.1	5.4	3.5
No work available with suitable location	2.6	1.5	2.1
Other	0.5	0.0	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Number of unemployed respondents (broad definition)<sup>31</sup></b>	<b>381</b>	<b>331</b>	<b>712</b>

In line with the above finding, the 30.3% of unemployed youth who were not searching for a job at the time of the SYPE survey often cited reasons related to discouragement. Within this group, a fourth said that their main reason for not searching was that they believed there were no jobs. Young females were even more likely to give this reason, with 34.8% doing so compared to only 17.4% of males, confirming that females are more likely to be discouraged from job-seeking than males. Nearly a third (30.4%) of males and 10.2% of females also said that they were tired of looking for a job, and 22.1% of males and 18.3% of females said that they lacked information regarding effective methods of searching for a job.

Moreover, there is only a very small gender gap among youth who said that they were not searching because there were no suitable jobs, with 10.1% of males and 12.4% of females giving this reason. However, as with the reasons given for unemployment, university graduates of both sexes were much more likely to give this response, with 23.6% of males and 25.0% of females doing so. This finding corresponds to the argument that unemployment among those with higher education stems in part from high expectations and skill mismatch (Assaad and Barsoum 2007). Notably, while there was no overall gender gap in the proportions of males and females saying that they lacked information regarding effective job-search methods, there was a gender gap among university graduates; 28.2% of female university graduates gave this response compared to only 4.4% of male university graduates. Lastly, while females did not give gender discrimination in hiring as a reason for not searching, 9.2% of all females gave family responsibilities and 5.8% family opposition as their reason for not looking for work. A

<sup>31</sup> Of the 878 respondents aged 15-29 who were ready and willing to work, because of a bad skip pattern, only 712 responded to this question.

negligible percent of males cited family reasons, so these are gender-specific barriers to young women’s entry into the workforce.

#### 4.7 SEARCHING FOR EMPLOYMENT

Unemployed youth who were searching for a job used a variety of methods to do so. These methods are shown in Table 4.7.1, which presents the percentage of youth who reported using a given method among those who are unemployed under the broad market definition. Neither males nor females were very likely to register in a private office, but 14.1% of all youth registered with a government labor office. Females were two times more likely than males to register at such an office, with one in five doing so. Entering a government job competition was also the most frequently mentioned search method for females, but again, less than 10.0% of males tried this method.

For all education levels except primary and preparatory graduates, unemployed females who are searching for a job are consistently more likely than males to use government labor office registration as their only job-search method, especially for those with higher levels of education. Public-sector employment is thus clearly more attractive to females; they are much more willing to invest in finding a government job and, apparently, to queue at the government labor office in the hope that one will become available.

<b>Method</b>	<b>Males</b>	<b>Females</b>	<b>Total</b>
Register in a private office	7.2	5.9	6.7
Register in a government office	9.5	20.9	14.1
Enter a government job competition	9.7	28.4	17.3
Send a job application	26.1	24.3	25.4
Inquire at work location	23.2	7.8	16.9
Advertise in newspapers	0.8	0.9	0.8
Apply for a job advertised in newspapers	9.4	6.0	8.0
Ask friends or relatives for help	39.1	20.6	31.6
Contact employer	17.0	4.0	11.7
Contacted contractor	4.0	0.0	2.3
Wait at workers’ gathering locations	2.4	0.0	1.4
Search for private project (land, equipment)	1.3	0.7	1.0
Arrange financing for private project	0.7	1.0	0.8
Use landline in any of above methods	46.2	22.8	37.5
Use mobile phone in any of above methods	44.2	19.5	35.0
<b>Number of respondents</b>	<b>381</b>	<b>331</b>	<b>712</b>

Sending in job applications was a search method reported by a fourth of respondents, both male and female. Using networks—asking friends and relatives for help—was another common strategy for both sexes. However, males, for whom this was the most common search strategy, were two times more likely than females to use networks, with 39.1% and 20.6% doing so, respectively. Females were also considerably less likely than males to use job-search methods that require mobility, such as inquiring at a work location or contacting employers. Their more restricted movement and more limited networks may thus be hampering females’ ability to find suitable jobs. Females were also only half as likely as males to use a landline or mobile phone in their job search, which may further restrict the range of employment options they can come into contact with.

Respondents were also asked whether they thought personal skills or connections (*wasta*) were more important for finding a job. Only 58.0% of all respondents 64.1% of males and 51.6% of females, thought skills were more important than connections. Thus, even though females use networks less, they think that networks are more important in finding a job, suggesting that they may lack access to relevant networks. It is possible that this lack contributes to the discouragement and unemployment because they believe that they do not have the connections needed to get a job.

On a related note, respondents were asked who they thought should be responsible for providing them with a job opportunity. The vast majority responded either that the state or a policy maker should be responsible, with 81.2% of males and 80.1% of females giving one of these two responses. Only 12.5% of males and 6.6% of females thought that they themselves should be responsible for finding a job.

Those who were not in the labor force at the time of the SYPE survey were also asked about their reasons for not wanting to work. The vast majority of males who did not want to work were full-time students (79.8%), as were 29.3% of the females. In contrast, 65.8% of females responded that they did not want to work because they were housewives, suggesting that many females perceive an incompatibility between work and their family life. This response was nearly as common among females with higher education as it was among females with no education; 93.1% of illiterate females responded that they did not work because they were housewives, compared to 87.3% of females with a university education. Among those with middle levels of education many of the females who did not want to work were still in school. Yet this pattern suggests that perceived conflict between work and family roles is prevalent among females of all educational levels.

#### **4.8 ENTREPRENEURSHIP**

Given the high rate of unemployment among youth, it is important to consider whether and how young people have sought to create employment opportunities for themselves through entrepreneurship. Although 53.6% said that they would prefer to have their own business than to have a salaried job, a very small proportion are self-employed or employers, corresponding to 1.2% of the total youth population and only 0.3% of the total female youth population. The few female self-employed lived mostly in rural areas. Among the small number of young people who became self-employed, most said that they did so either because they could not find a waged or salaried job or because they had greater independence when running their own business.

Although entrepreneurship is viewed as an alternative to finding a job, few young people are self-employed, which may be explained by the resource constraints faced by entrepreneurs. Among entrepreneurs who needed money to start their businesses, 62.5% of males and 46.0% of females used personal savings, indicating that they have little access to credit or that they prefer to start a business using their own savings. In contrast, none of the self-employed had a loan from a bank or the Social Fund for Development, and only 2.9% had a loan from a private money lender. Reflecting gender-based development activity, 3.5% of females had been able to take a loan from an NGO. Still, in general, a major constraint to self-employment is clearly lack of access to credit markets among youth of both sexes.



Other than credit, the most important challenge respondents faced in setting up their own business was lack of business information, a response given by 12.4% of self-employed males and 24.3% of females as the main problem they faced in their business. Thus there appears to be a gender gap in access to information about entrepreneurship, which may be one reason why the rate of self-employment among females is extremely low. Lack of marketing and financial services were the next most commonly mentioned problems in running a business among self-employed females and males. Marketing services were mentioned by 16.8% of males and 10.8% of females, respectively, as their main problem. Financial services were mentioned by 30.6% of males and 22.0% of females.

#### **4.9 CONCLUSION**

This chapter examines the labor-market outcomes of Egyptian young people age 15-29 in 2009. Unemployment remains a problem for those seeking entry into the labor market, particularly for those who are entering the labor market for the first time. Unemployment is greater among the educated youth of both sexes. However, females continue to have higher unemployment rates than males across a range of socioeconomic and demographic characteristics. Young females also continue to suffer from noticeably low rates of participation in the labor market. Based on the evidence shown in this chapter, a number of interrelated factors can be contributing to females' disadvantaged position in the Egyptian labor market and their very low labor-force participation, particularly in the private sector. These factors include incompatibility between work and gender roles, discouraging work conditions including low pay, weak networks, low mobility, and difficulty of becoming an entrepreneur.

Incompatibility between work and gender roles and unattractive work conditions in the private sector contribute to females' continued preference for public-sector employment, as well as their greater likelihood of being unemployed as they queue for such employment opportunities. Females' continued attachment to public-sector employment, which is more accommodating of females' family roles and more likely to provide social protection benefits, is evident both among employed females and among those searching for a job. Female job seekers are two times more likely to register at a government labor office than male job seekers. The gender gap in government-office registration is even larger at higher levels of education, because of the history of employment guarantees for vocational secondary and university graduates.

Moreover, females who are employed are more likely to be employed in formal jobs; these are the types of jobs they are willing to accept because they tend to be more family-friendly and to come with social protection benefits. Females who work are more concentrated in traditionally "female" occupations such as teaching, clerical, and domestic work. Those with permanent jobs are also, more likely to work part time, possibly reflecting involuntary employment, but also, perhaps, their preferences for working hours that are more accommodating of their family life.

In addition, young women's weaker networks make it more difficult for them to find alternatives to waged employment. Females have very low rates of self-employment and lack many of the resources necessary for successful entrepreneurship. All youth suffer from restricted access to credit and to information about essential services such as

marketing and finance. However, these problems are particularly acute for females who attempt to set up their own businesses.

Despite the passage of sufficient time for the youth bulge to have eased and the new labor law to have resulted in positive labor-market changes, females experienced a substantial drop in their already low labor-force participation rate. Females seem to have been more negatively affected by the economic crisis and price shocks than their male peers, who experienced a, relatively smaller decrease in participation and employment. The finding that labor-force participation among young women in Egypt has declined substantially over the course of the recent global economic recession calls for further analysis. It is also important to examine if the global crisis was the only driver of such changes or if other structural transformations in the Egyptian economy were also significant. This finding also underscores the urgency of instituting policies to raise female participation rates and employment in the private sector in Egypt.

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