



European Training Foundation

EGYPT

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2018**



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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

Since 2014, the solid grip of general Al Sisi on Egypt has ensured several years of political stability. In March 2018, Mr Sisi won a second four-year term as president. Local instability is, however, still present with terrorist attacks remaining a problem for the Sinai region and creating a huge decrease in tourism.

Egyptian macroeconomic stability is still fragile, but authorities are undertaking wide-ranging structural and policy reforms, focused on improving the business climate and enhancing investments. Reducing unemployment, in particular of young people and women, is the key priority. In this respect, a new labour law has been proposed and is currently being negotiated in parliament. As of September 2018, the law has not yet been approved.

In May 2018, the Ministry of Education and Technical Education launched its strategy for transforming education in Egypt. The ministry is currently working on the development of a new strategy for the Technical and Vocational Education and Training (TVET) sector.

In 2018, the Executive Council for Technical and Vocational Education and Training, foreseen under decree no. 706 of 2014, became operational and it is led by the Minister of Education and Technical Education.

In September 2018, President Al Sisi announced the establishment of a new Quality Assurance Agency (QAA) within the TVET sector framework. The new institution should work in close cooperation with the existing National Agency for Accreditation and Quality Assurance in Egypt (NAQAAE).

In June 2018, a law for the establishment of eight new technological universities was approved. The courses will be available to students with general secondary school certificates, as well as those who attended a technical school. It is envisaged that three schools will be established in 2018 in New Cairo City, New Kowesna in Menoufeya Governorate and Beni Suf Governorate.

Starting in 2018/19, a new standard of evaluating students' transition from high school to tertiary education will replace the existing traditional approach. The new system, more challenging and demanding for students, will use a 'grade point average' (GPA) system, which determines the final grade according to the average of a student's grades throughout the three years of secondary education.

Within the context of improving the business climate, a new Micro, Small and Medium Enterprises Development Agency (MSMEDA) has been created under the Ministry of Trade and Industry.

The Enterprise Training Partnerships (ETPs) have been moved under the responsibility of the Federation of Egyptian Industries (FEI), though this has not solved the issue of funding. As of September 2018, most of the ETPs are inactive and without staff.

TVET II, a programme supported by the European Union (EU), is being implemented to provide support aimed at improving the structure and performance of the TVET system to better respond to Egypt's rapidly changing socio-economic needs, with a focus on youth employability and national competitiveness. This reform has been identified by policymakers and experts as a high priority, due to its potential role as a contributor to the reduction of unemployment, the promotion of social equity and the enhancement of the country's global competitiveness.

In July 2018, Egypt's House of Representatives approved a USD 500 million loan from the World Bank Group's International Bank for Reconstruction and Development, to go towards the five-year Supporting Egypt Education Reform project, which aims to modernise the public school system, enhance the capacity of teachers and administrators, and increase the role of technology in teaching and learning.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Egypt is the most populous Arab country with a rapidly growing population. Its population grew from 79.6 million in 2011 to almost 95 million in 2017, and it is estimated to increase to 151 million by 2050¹. Although the annual population growth rate has dropped significantly, it has maintained a fairly stable pace at around 2% annually. The share of young people aged 15 to 24 has been slightly decreasing, but still remains high (27.3% in 2017). This youth population presents sizeable challenges in terms of delivering education, creating job opportunities, curbing unemployment and improving living standards, and could even pose a threat to Egypt's social stability; it also presents an enormous opportunity to advance the development of the economy and well-being of the population. However, economic progress depends on the capability of a country to turn the higher inflow of a young labour force into employment growth. This may be achieved by special social and economic reforms such as reforms of the education system and the labour market.

Egypt is a major migration player in the Middle East and North Africa (MENA) region, experiencing large, diverse patterns of emigration and immigration. Egypt is the largest regional provider of migrant labour to the Middle East. More than six million Egyptian emigrants lived in the MENA region as of 2016, primarily in Saudi Arabia, Jordan, and the United Arab Emirates. Another three million Egyptian citizens and their descendants reside in Europe, North America, and Australia, where they have formed vibrant diaspora communities. At the same time, Egypt has become a destination for thousands of Arab and African immigrants and a major host of hundreds of thousands of Palestinians, Sudanese, and, since 2011, Syrian refugees. Over the past few years, Egypt has also served as a transit country in migrant routes used by sub-Saharan Africans crossing the Mediterranean towards Europe².

Egypt is classified as a lower middle-income country. Despite the unstable regional and internal political and economic situation, gross domestic product (GDP) has been on a steady growth path from 2011 (1.8%) to 2015 (4.4%), while slightly dropping to 4.2% in 2017. Inflation decreased from the peak of 33% in July 2017 to 14.2% in August 2018³. The macroeconomic stability is affected by a number of risk factors, including security concerns and a volatile exchange rate. Tourism, natural gas, trade, construction and non-petroleum manufacturing are the main sectors driving economic growth. Services are increasing their contribution to GDP, accounting for 55.2% in 2016, while industry and agriculture are declining (32.9% and 11.9% respectively).

Economic activity suffers from widespread informality across all sectors. The informal economy accounts for around 38% of GDP, according to estimates by the African Development Bank⁴. To address this problem, several initiatives have been launched in the country. For example, in April 2017, the Central Bank of Egypt launched an initiative that aims to bring a large number of individuals and companies under the umbrella of the banking system. The Egyptian government is also introducing a number of reforms towards fiscal consolidation and reducing internal debt; these include reforming the fuel subsidy, introducing a new value added tax and containing public wage growth.

1 <https://egypt.unfpa.org/sites/default/files/pub-pdf/PSA%20Final.pdf>.

2 <https://www.migrationpolicy.org/article/egypt-migration-and-diaspora-politics-emerging-transit-country>.

3 Tradingeconomics.com.

4 Addressing informality in Egypt, African Development Bank Working Paper, 2016.

These reforms allow optimism on economic development. According to World Bank estimates, real GDP is forecast to grow by 5% in 2018, and to increase gradually to 5.8% by 2020. Growth is expected to be driven by resilient private consumption and investment, in addition to a gradual increase in exports⁵.

Attention is also focused on improving the business climate. An industrial licensing law and a new investment law have been passed, and a new insolvency law is being discussed in parliament. These are critical pieces of legislation to enhance the business environment, as currently the negative conditions for new businesses reduce entrepreneurial initiatives and job creation (Egypt is 128th in the 2018 Doing Business ranking⁶). In addition, social protection schemes are being strengthened through measures related to better targeting and increased cash transfers. Egypt was positioned in 100th place in the Global Competitiveness Index 2017–2018⁷, up from 115th place in 2016, and was considered the most-improved country in the MENA region. However, while structural reforms have positive prospects according to international assessment, they need to be stepped up in order to avoid possible social tensions⁸.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Egypt has the largest overall education system in the MENA region with 20 million students in pre-tertiary education; this number is continuously growing due to strong demographic pressure. Egypt's educational infrastructure is facing difficulties absorbing all young Egyptians, a group that should constitute the major productive force of its economy. Public education institutions are hampered by structural difficulties and characterised by unequal geographical distribution, as services are concentrated in urban centres.

The public education system in Egypt consists of three levels: the basic education stage, secondary school (International Standard Classification of Education (ISCED) Level 3), followed by the tertiary level. Egypt's 2014 constitution states that education is compulsory until the completion of secondary school or its equivalent. It also specifies that the state shall allocate at least 4% of GDP to school education, in addition to 2% of GDP to university education, with these percentages to be increased annually to reach global public spending levels⁹. Egypt has a well-developed and extensive tertiary education system with 30% of Egyptians taking this opportunity. Private education accounts for around 15% of the education system.

Egypt has a relatively low-skilled labour force: in 2016, 42.0% of the adult population had attained only a low level of education, 38.1% a medium level of education and only 19.8% a high level of education.

5 World Bank, Egypt's economic outlook, April 2018.

6 <http://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2018-Full-Report.pdf>.

7 <https://www.weforum.org/reports/the-global-competitiveness-report-2017-2018>.

8 International Monetary Fund, Arab Republic of Egypt, Country Report No. 17/290, July 2017; World Bank Egypt's Economic Outlook, April 2017.

9

https://sustainabledevelopment.un.org/content/documents/20269EGY_VNR_2018_final_with_Hyperlink_9720185b45d.pdf.

However, continuous government effort to expand accessibility to education has resulted in improving education outcomes. Egypt is trending positively on certain key educational indicators according to the latest United Nations Educational, Scientific and Cultural Organization (UNESCO) data. In 2016, the net enrolment ratio in primary education reached 97.45% and 85.49% in secondary education. The gross enrolment ratio in tertiary education in 2016 was high at 34.44%. The total adult (over 15 years of age) literacy rate stands at 75.1%, while the total literacy rate for 15- to 24-year-olds is 92.0%¹⁰.

As in many MENA countries, the appeal of vocational education in Egypt is decreasing, mainly due to the public's assumption about the importance of a university degree and the growing interest in general education as a path to higher education that provides a guarantee for entry into the civil service. The number of students in TVET (ISCED 3 and 4) has remained stable in recent years, but the share of TVET students has been decreasing: in secondary education from 21.9% in 2012 to 21.2% in 2016 and in upper secondary education from 49.5% in 2012 to 46% in 2016. It must be underlined that the relatively high percentage of enrolment in TVET secondary education is the result of the student tracking system, where students are allocated to TVET or general secondary education according to school marks/grades (points), with the higher performers being allocated to general secondary education. While in most countries TVET is seen as a second choice, in Egypt for many students it is the only option.

Despite the progress made to date, the quality and relevance of education is weak. The system is not delivering the necessary learning outcomes, skills and competencies for successful transition to the job market. Egypt's results in the 2015 Trends in International Mathematics and Science Study show that only 47% of grade 8 students reached the 'low' international benchmark of performance in mathematics compared to the international average of 84% (the figures for grade 8 science were 42% and 84% respectively).

2.2 Education and training policy and institutional setting

The 2014 constitution commits to the expansion and quality of general education and TVET in line with international standards. The national development plan, the Sustainable Development Strategy – Egypt Vision 2030 (2015), highlights investment in human resources as a key to achieving its overall goal of promoting sustainable and inclusive economic growth. It is considered an overall political framework to which all strategic documents have to refer and contains three strategic dimensions (economic, social and environment), with education and training included in the social dimension as one of four priority pillars.

Since the launch of Egypt Vision 2030, the education sector and TVET in particular have been under the spotlight. There is a broad consensus on the need for education reform and the programme of the Ministry of Education and Technical Education (MoETE) is supported by the president and the government. In May 2018, the MoETE launched its strategy for transforming education in Egypt. The strategy aims to provide access to education for all, to create a relevant and quality educational system in accordance with international standards, and to develop passionate and enthusiastic pupils and teachers who learn, think and innovate¹¹. Notably, the pivotal entry point for this transformational change in the education sector is the reform of the secondary school leaving examination (*Thanaweya*

10 <http://uis.unesco.org/country/EG>.

11

https://sustainabledevelopment.un.org/content/documents/20269EGY_VNR_2018_final_with_Hyperlink_9720185b45d.pdf.

Amma). Starting in 2018/19, a new standard of evaluating students' transition from high school to tertiary education will replace the existing traditional approach. The new system, which will be more challenging and demanding for students, will use a GPA system, which determines the final grade according to the average of a student's grades throughout the three years of secondary education.

In addition to the education reforms within compulsory education, the government is also seeking to modernise the higher education sector. In June 2018, a law for the establishment of eight new technological universities was approved. The schools, which will be publicly owned, will offer two- and four-year programmes across a range of specialities, including agriculture, industry, technology and commerce. The courses will be available to students with general secondary school certificates, as well as those who attended a technical school. It is envisaged that three schools will be established in 2018 in New Cairo City, New Kowesna in Menoufeya Governorate and Beni Suf Governorate.

The development of a National Qualification Framework (NQF) is continuing under the responsibility of the NAQAAE. The model presented by the NAQAAE in 2015 has been agreed by all key stakeholders but it has not yet been formally approved. The NQF law is still in the parliament process. The NQF model proposed is ambitious and focuses on permeability and mobility, assuring the quality of programmes, bridging the gap between offer and demand, developing developing sectoral qualification frameworks, providing a scale of comparability and assuring that new qualifications fit in the framework. Recently, national stakeholders have started discussion on the adoption of a single model for the process of qualifications development (e.g. NQF, occupational standards, curriculum development) which would reduce the gap between the needs of the labour market and the outputs of technical and vocational education.

Progress in TVET reform remains modest and slow, as there is no unified and agreed vision on TVET development. The sector remains fragmented with multiple stakeholders playing different roles. The involvement of more than 20 ministries and institutions in TVET, coupled with competition for leadership among the key ministries (MoETE, Ministry of Industry, Ministry of Trade and Small and Medium-Sized Enterprises, and Ministry of Manpower and Migration (MoMM)), has led to a system of 'institutional power games' which has paralysed TVET reform for too long¹². The operationalisation of the Executive Council for Technical Education helped coordination between the different stakeholders, but did not lead to the development of a common vision for the sector. Several documents have been written under the leadership of different projects and different international actors. Until now, none of these attempts has been recognised unanimously as the TVET strategy for Egypt. The MoETE is currently working on the development of a new strategy for the TVET sector. The pillars of the new TVET 2.0 strategy are re-branding TVET with the aim of increasing its attractiveness, reviewing the governance model for technical secondary education and establishing new models of public-private partnerships.

An important priority in the TVET sector is the reinforcement of current work-based learning initiatives. The most important of these initiatives is the dual system piloted through the Mubarak-Kohl Initiative, which currently accounts for only 2% of secondary vocational education and training, but there is a strong political will to increase it to 50% in the coming years. The MoETE is developing public-private partnership models to engage industry in education. Other initiatives, such as productive schools and factories inside schools, might be enhanced. These initiatives are already operating at the systemic level but would need scaling up and could be significantly improved in terms of the quality of training.

12 <https://www.oecd.org/countries/egypt/Schools-for-skills-a-new-learning-agenda-for-Egypt.pdf>.

In June 2018, the Minister of Education and Technical Education signed a cooperation protocol with private firms to implement the Egypt Makers initiative, under the slogan 'Learn ... Improve ... Work'. The objective is to raise students' production skills in general, and to advance TVET at secondary level, generally comprising three-year programmes.

The ETPs were established to improve the link between TVET and the private sector. Nevertheless, the fragility of the institutional framework of ETPs is one of the biggest risks associated with the reform of the TVET sector. Despite the central role that all actors agreed to assign to the ETPs, their institutional and financial sustainability is currently not ensured. Moreover, the ETPs have been relocated again and are now under the FEI. However, this has not yet led to an improvement in their institutional and financial sustainability. The FEI has been active in identifying ad hoc sources of financing for ETPs but these remain single initiatives, which do not help the institutionalisation of ETPs' function in the context of the skills development domain. The definition of a clear legal status, mandate and resources for ETPs should be elaborated within the TVET II programme. However, three years since the start of the programme, no progress has been made.

Quality assurance in the TVET system is one of the priority areas. The NAQAEE, an institutional hub for quality assurance and accreditation, is now self-financed, mainly through fees from the accreditation procedure. The accreditation procedure of TVET is, however, facing some challenges given the huge number of providers, the non-mandatory nature of the accreditation and the complexity of the process. In the summer of 2018, President Al Sisi announced the establishment of a new QAA. The new body should collaborate with NAQAEE and focus more on the accreditation of the programmes, while NAQAEE should focus on the accreditation of the providers. However, the QAA has not been established yet and its final role and responsibilities may still be subject to change. Following a direct request from the MoETE, the European Training Foundation (ETF) may provide ad hoc support on the conceptualisation of the QAA, in 2019.

Continuing vocational training remains a weak element in TVET and is not considered a priority, given the challenges faced in terms of initial TVET. Several initiatives have been implemented at project level in cooperation with international partners, but little mainstreaming and sustainability is ensured by national stakeholders. In addition, the system of monitoring education and training system outcomes is fragmented. Data is gathered through administrative mechanisms and there are various tools to identify the labour market needs and to adjust relevant qualifications. However, such mechanisms and tools are often not extended to the overall TVET sector.

The EU remains a strong supporter of the Egyptian education sector as a whole, with particular emphasis on increasing the access to, and quality of, education for the most vulnerable children. The current EU cooperation portfolio in education includes two complementary primary community schooling programmes (total EUR 90 million). In the area of TVET, the EU provides support through the TVET II programme (2013–2023) (EUR 50 million), which is co-funded by the Egyptian government (EUR 67 million). The programme aims at improving the structure and performance of the TVET system to better respond to Egypt's rapidly changing socio-economic needs, with focus on youth employability and national competitiveness. This reform has been identified by policymakers and experts as a high priority, due to its potential role as a contributor to the reduction of unemployment, promotion of social equity and enhancement of the country's global competitiveness. The ETF has been supporting TVET reform by providing content and methodological advice to the Programme Implementation Unit of the TVET II programme, in particular by supporting the governance component of the programme as well as the development of the competence-based curriculum.

In July 2018, Egypt's House of Representatives approved a USD 500 million loan from the World Bank Group's International Bank for Reconstruction and Development, to go towards the five-year Supporting Egypt Education Reform project, which aims to modernise the public school system. The reforms, which will cost a total of USD 2 billion, are expected to replace the existing education system with a new one to better equip young Egyptians for the current job market.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

The Egyptian labour market is affected by several structural challenges. The activity and employment rates are low, in particular for women. Macroeconomic instability, partly due to internal and external security concerns, leads to insufficient job creation to absorb the high number of young people entering the labour market. In addition, there is a reported mismatch between education outcomes and more dynamic labour demand, which results in high unemployment. The public sector versus private sector divide is also clearly visible, in particular in terms of working conditions. In addition, the high level of informality negatively affects economic efficiency and productivity.

The labour market situation has worsened since the events of 2011. The current economic crisis is affecting employment opportunities at all levels and the trends are not positive. The number of new jobs in the private sector has reduced, particularly in the tourism sector. Due to the fiscal adjustment, the public sector is not increasing employment either. The activity rate decreased to 46.7% in 2016 (from 48.5% in 2012), driven mainly by a fall in the activity rate of men (from 73.9% in 2012 to 69.6% in 2016). Also, the employment rate decreased from 42.4% in 2012 to 40.9% in 2016, mainly due to a decrease in the male employment rate from 67% in 2012 to 63.5% in 2016. Despite the modest improvements, female participation is very low, more than three times lower than that of men. The majority of women entering the labour market are medium skilled (34.2%) and highly skilled (29.5%). Women face substantial barriers in finding work, but also in remaining employed, especially after marriage. Part-time jobs, flexible work options, job-sharing and work-from-home arrangements could substantially increase women's employment in the private sector.

The total unemployment rate had been growing since 2011, reaching 13.1% in 2015. The outcomes improved in 2016 (12.4%) for both men and women; however, the female unemployment rate remained particularly high at 23.6% in 2016. In many cases, women are waiting for good-quality employment, preferably in the public sector. Although the private sector may provide higher salaries, the issue of job security remains a significant factor for young people when choosing a job, and in the case of young women, this is also driven by cultural aspects.

The transition from school to work has become more and more difficult, even for those who are well educated. Youth unemployment is very high (30.8% in 2016) and particularly affects young women (38.6% in 2016) and tertiary education graduates (23.1% for those with tertiary degrees, compared to 11.3% for general secondary school graduates). Young people with medium-level skills, in particular technical skills, seem to perform much better in terms of employability.

This shows a weak link between education outputs and labour market needs, resulting in inadequate curricula that seem unaligned to the competencies required by employers, as well as a mismatch between them in terms of quality and expectations. Almost half of working youths (47.7%) are in

occupations that do not match their education, i.e. over-educated or under-educated¹³. Over-education can be found predominantly among the elementary occupations, followed by clerks, and skilled agricultural and fishery workers¹⁴. At the same time, employers report difficulties finding skilled labour, and skills gaps increased to 19% in 2016, according to the World Bank Enterprise Survey¹⁵.

The proportion of young people not in employment, education or training (NEETs) aged 15 to 24 is also very high (27.6% in 2016). The substantial decrease for young women is noticeable, down from 45.7% in 2012 to 35.7% in 2016. According to a World Bank survey, overall 40.7% of young people aged 15 to 29 are NEETs, which illustrates the difficulties in finding employment. Three main risk factors associated with an increased probability of being NEETs are (i) low education, (ii) living in remote areas and (iii) gender¹⁶. Two out of three young women in rural Egypt (69.7%) and more than half of young women in urban areas (60.4%) are NEETs. In contrast, only one out of eight young men in urban areas (13.2%) and a tenth of young men in rural Egypt (10.5%) are NEETs. This shows the need for further restructuring of the Egyptian labour market in terms of quality job creation and solving its weak efficiency, also by setting up a structured system to identify training needs.

Services dominate the employment structure, with a 48.8% share in 2016. Both agriculture and industry employed 25.5% of the workforce in 2016. Although employment is slowly decreasing in agriculture in favour of the service sector, the trend is not very strong and the structure of the economy has remained similar over the years. Most of the recent new jobs have been created by the private sector (also in the informal sector), while public employment has been decreasing since 2005 (from 26.9% in 2012 to 22.0% in 2016), except in some sectors such as education, as a result of the measures applied by the successive cabinets for deficit reduction. Employment in the private sector continues to be dominated by small firms and informal work. A total of 98% of Egypt's firms are microenterprises, often limited to low value added activities¹⁷. Currently, the informal economy absorbs 48% to 70% of employment according to estimates by the African Development Bank¹⁸.

3.2 Employment policy and institutional setting

The MoMM is responsible for labour policy, managing labour supply and demand, increasing the employability of the labour force, and monitoring labour market demand. It administers the network of 300 employment offices. However, most of the employment offices are underdeveloped, understaffed and under-resourced and provide a very limited range of employment services, merely issuing work permits and registrations¹⁹. Besides labour intermediation, MoMM leads an Employment Information Programme, which prepares labour market statistics that are published in a monthly bulletin. It also organises an enterprise census every year, which collects information on training needs from all enterprises with more than 10 employees.

13 https://www.euneighbours.eu/sites/default/files/publications/2018-06/emnes_study_005-human_capital-labour_market_friction_migration-egypt-jordan-morocco-tunisia_v4.pdf.

14 ETF, Skills mismatch measurement in the ETF partner countries, Cross-country report, 2018 (forthcoming).

15 <http://microdata.worldbank.org/index.php/catalog/2896/study-description>.

16 The Survey of Young People of Egypt conducted in 2014 provides a nationally representative sample of 10 916 young people.

17 http://www.miic.gov.eg/English/Resources/Publications/NonPeriodical/DOCUMENTS/WCMS_618591.PDF.

18 Addressing informality in Egypt, African Development Bank Working Paper, 2016; Mirna Khaled Abdulaal, Egyptian Streets, Growth and transition: the informal sector and the knowledge economy, 3 April 2017.

19 Amer, M., Active labour market policies: Mapping of existing initiatives in Egypt, Paper presented in Cairo, October 2012.

A comprehensive labour market information system does not yet exist in Egypt. Data gathering is mainly done through administrative sources (employment offices) and labour force surveys are managed by the Central Agency for Public Mobilisation and Statistics (CAPMAS). Mechanisms to identify the needs of the labour market and develop relevant qualifications exist in a variety of forms, for example the National Skills Standards Programme within the Industrial Training Council; however, they give only a partial picture.

The International Labour Organisation (ILO) and German Agency for International Cooperation (GIZ) are supporting Egyptian stakeholders in improving data gathering and analysis by setting up a more effective monitoring system, notably through the Regional Labour Market Observatories. The TVET II programme is developing a tracer study to gather information about graduates' employability that is currently in a pilot phase. It is foreseen that the tracer study will cover the whole TVET sector. In addition, ILO and GIZ have contributed to the conceptualisation of a unified labour market information system (LMIS), which is under development within the TVET II programme. In this respect, national stakeholders and international partners have developed a much more cooperative approach in recent years. At the moment, there are ongoing discussions on the concept of the new system between international partners and national authorities, in particular the CAPMAS. As of July 2018, a decision on the institutional home of the LMIS system has not been reached. This is putting the actual establishment of the LMIS at serious risk.

Reducing high unemployment, especially among women and young people, is a priority for the Egyptian government. While macroeconomic policies and structural reforms aim at supporting job creation, there are numerous ongoing and emerging initiatives for active labour market policies that are implemented by various stakeholders and in many cases supported by donors. The government is planning to develop specialised training programmes for young people and introduce job intermediation schemes.

In March 2017, the National Strategy for the Empowerment of Egyptian Women 2030 was adopted, which includes a pillar on economic empowerment. It aims to develop women's abilities to enhance their employment options, expand their participation in the workforce, support their entrepreneurship, and achieve equal opportunities for employment in all sectors, including holding senior positions in both the public and private sectors. In order to improve female labour market participation, 0.2% of GDP is allocated to enhancing public transportation and availability and quality of childcare services. In 2016/17, EGP 250 million was budgeted to improve the availability of public nurseries and other facilities to enhance the ability of women to actively seek jobs. In 2017/18, such spending was due to be increased to EGP 500 million (structural benchmark).

The transition from school to work has gained attention, in particular through the creation of school-to-work transition and career guidance units within the relevant ministries (originally planned to only be in the MoETE, they were also established in the MoMM and the Ministry of Trade and Industry in 2018). Regional units have also been established at the governorate level with career guidance, employment and entrepreneurship functions. Career guidance functions are expected to be established at every school level in the context of the TVET II programme. However, further legislative measures are pending.

There are several entrepreneurship programmes that aim to stimulate small business creation. A recent trend has been the emergence of incubators and initiatives focusing on innovative start-ups. In addition, the MoETE has led the development of an entrepreneurship curriculum to be integrated at technical secondary education level. The curriculum was developed with the support of several

partners, including the EU (TVET II), ILO, UNIDO, GIZ, USAID (WISE) programmes, and it was approved by the Supreme Council for pre-university education.

The Social Insurance Fund will benefit from a comprehensive reform to ensure its long-term financial sustainability and preserve its ability to pay adequate pensions. The government has sought technical assistance from development partners and has been developing a clear road map of pension reform to be finalised in 2018. The government is also improving safety nets and reducing poverty by expanding social solidarity pensions to include medical cover, as well as widening the coverage. Public works are on the agenda and some of them focus on labour-intensive sectors, mostly construction. So far, they have only led to the creation of temporary jobs.

The main EU programme in the sector of employment and social protection is the Emergency Employment Investment Project. The project is funded by the EU (EUR 69.8 million) and World Bank, and implemented by the government's SFD. The project aims to create short-term employment opportunities for young people living in the poorest governorate of the country. They are employed in projects contributing to the improvement of community infrastructure and services. Short-term training or other support services are provided to young men and women to facilitate transition to work and self-employment.

EGYPT: STATISTICAL ANNEX

Annex includes annual data from 2012, 2016 and 2017 or the last available year

	Indicator	2012	2016	2017	
1	Total Population (000)	81,396 ⁽¹⁾	90,086 ⁽¹⁾	94799 ⁽²⁾	
2	Relative size of youth population (age group 15-24, %) ⁽¹⁾	30.4	27.7	27.3	
3	Youth Dependency ratio (%)	51.5	54.4	54.5	
4	Old Dependency ratio (%)	7.8	8.3	8.4	
5	Global Competitive Index	Rank	107	115	100
		Score	3.7	3.7	3.9
6	GDP growth rate (%)	2.2	4.3	4.2	
7	GDP per capita (PPP) (current international \$)	10003	11134	11583	
8	GDP by sector (%)	Agriculture added value	11.3	11.9	M.D.
		Industry added value	39.3	32.9	M.D.
		Services added value	49.4	55.2	M.D.
9	Poverty headcount ratio at \$2 a day (PPP) (%)	M.D.	M.D.	M.D.	
10	Gini index (%)	M.D.	M.D.	M.D.	
11	Educational attainment of adult population (aged 25-64 or 15+) (%)	Low ⁽³⁾	43.5	42.0	M.D.
		Medium	35.8	38.1	M.D.
		High	20.6	19.8	M.D.
12	Gross enrolment rates in secondary education (%)	80.8	85.9	M.D.	
13	Share of VET students in secondary education (%)	21.9	21.2	M.D.	
14	Gross enrolment rates in upper secondary education (%)	66.2	74.5	M.D.	
15	Share of VET students in upper secondary education (%)	49.5	46.0	M.D.	
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	N.A.	N.A.
		Mathematics	N.A.	N.A.	N.A.
		Science	N.A.	N.A.	N.A.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.

	Indicator		2012	2016	2017
18	Early leavers from education and training (age group 18-24) by sex (%)	Total	27.8	M.D.	M.D.
		Male	25.9	M.D.	M.D.
		Female	29.7	M.D.	M.D.
19	Activity rates by sex (aged 15+) (%)	Total	48.5	46.7	M.D.
		Male	73.9	69.6	M.D.
		Female	22.4	23.0	M.D.
20	Employment rates by sex (aged 15+) (%)	Total	42.4	40.9	M.D.
		Male	67.0	63.5	M.D.
		Female	17.0	17.6	M.D.
21	Unemployment rates by sex (aged 15+) (%)	Total	12.6	12.4	M.D.
		Male	9.2	8.8	M.D.
		Female	24.0	23.6	M.D.
22	Unemployment rates by educational attainment (aged 15+) (%) ⁽⁴⁾	Low ⁽⁴⁾	9.9	8.5	M.D.
		Medium	17.2	15.9	M.D.
		High	21.2	20.6	M.D.
23	Youth unemployment rates by sex (aged 15-24) (%)	Total	34.4	30.8	M.D.
		Male	27.9	27.2	M.D.
		Female	56.8	38.6	M.D.
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)		87.9	83.4	M.D.
25	Long-term unemployment rate (aged 15+) (%)		11.4	11.8 (2015)	M.D.
26	Incidence of self-employment (%)		37.5	30.8	M.D.
27	Share of the employed in a public sector (%)		26.9	22.0	M.D.
28	Employment by sector (%)	Agriculture	27.1	25.5	M.D.
		Industry	24.9	25.5	M.D.
		Services	48.1	48.8	M.D.
29	Employment in the informal sector ⁽⁵⁾		57.0	M.D.	M.D.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs), by sex (%)	Total	31.6	27.6	M.D.
		Male	19.6	19.8	M.D.
		Female	45.7	35.7	M.D.
31	Public expenditure on education (as % of GDP)		3.8 (2007)	M.D.	M.D.

	Indicator	2012	2016	2017
32	Public expenditure on education (as % of total public expenditure) ⁽¹⁾	13.8	11.4 (2015)	M.D.
33	Skill gaps (%)	11.7 (2013)	19.0	M.D.
34	The share of SMEs in GDP (%)	M.D.	M.D.	M.D.
35	The share of SMEs in employment (%) ⁽⁶⁾	31.2 (2006)	M.D.	M.D.

Last update: 31/08/2018

Sources:

Indicator 1 - CAPMAS

Indicators 2 - UNDP_WPP17, Medium Variant estimates for 2016 and 2017.

Indicators 3, 4, 6, 7, 8 – World Bank, World Development Indicators

Indicator 5 – World Economic Forum

Indicators 11, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30 – ILOSTAT

Indicators 12, 13, 14, 15, 31: UIS UNESCO

Indicator 18, 29 – Egypt Labour Market Panel Survey, Economic Research Forum.

Indicator 32 – EUROSTAT

Indicators 33 – World Bank, Enterprise surveys

Indicator 35 – International Financial Corporation

Legend:

N.A. = Not Applicable

M.D. = Missing Data

Notes:

(1) estimations

(2) Results of the Census 2017

(3) Includes no schooling

(4) refers to ISCED 1-2

(5) Informal employment, defined as employed with neither a contract nor social insurance.

(6) up to 100 employees

ANNEX: INDICATORS' DEFINITIONS

	Description	Definition
1	Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, legal or registered residents can be considered.
2	Relative size of youth population (age group 15-24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3	Youth Dependency ratio (%)	The ratio of younger dependants (people younger than 15) to the working-age population (those in the 15–64 age group).
4	Old Dependency ratio (%)	The ratio of older dependants (people older than 64) to the working-age population (those in the 15–64 age group).
5	Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape providing inside into the drivers of countries' productivity and prosperity. It expressed as scores on a 1 to 7 scale, with 7 being the most desirable outcome.
6	GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.
7	GDP per capita (PPP) (current international \$)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population, and converted to international dollars using purchasing power parity (PPP) rates.
8	GDP by sector (%)	The share of value added from Agriculture, Industry and Services.
9	Poverty headcount ratio at \$2 a day (PPP) (%)	The percentage of the population living on less than \$2.00 a day at 2005 international prices.
10	Gini index (%)	Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11	Educational attainment of adult population (25-64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group.
12	Gross enrolment rates in secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
13	Share of VET students in secondary (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET)
14	Gross enrolment rates in upper secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
15	Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET)

	Description	Definition
16	Low achievement in reading, maths and science – PISA (%)	The share of 15-years-olds falling to reach level 2 in reading, mathematics and science.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	The share of persons aged 25–64 who stated that they received education or training in the four weeks preceding the (LFS) survey.
18	Early leavers from education and training (age group 18-24) by sex (%)	The percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the (LFS) survey. Lower secondary education refers to ISCED 1997 level 0–3C short for data up to 2013 and to ISCED 2011 level 0–2 for data from 2014 onwards.
19	Activity rates by sex (aged 15+) (%)	Activity rates represent the labour force as a percentage of the population of working age.
20	Employment rates by sex (aged 15+) (%)	Employment rate represents persons in employment as a percentage of the population of working age.
21	Unemployment rates by sex (aged 15+) (%)	Unemployment rate represents unemployed persons as a percentage of the labour force.
22	Unemployment rates by educational attainment (aged 15+) (%)	Educational levels refer to the highest educational level successfully completed. Three levels are consider: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)
23	Youth unemployment rates by sex (aged 15-24) (%)	Youth unemployment rate represents young unemployed persons aged (15-24) as a percentage of the labour force (15-24).
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25	Long-term unemployment rate (age 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26	Incidence of self-employment (%)	The share of self-employed as a proportion of total employment. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27	Share of the employed in a public sector (%)	The share of employed in a public sector as a proportion of total employment.
28	Employment by sector (%)	The share of employed in Agriculture, Industry and Services.
29	Employment in the informal sector	Share of persons employed in the informal sector in total non-agricultural employment.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group and sex who is not employed and not involved in further education or training.
31	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit

	Description	Definition
		organisations. Both types of transactions together are reported as total public expenditure on education.
32	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
33	Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34	The share of SMEs in GDP (%)	The share of value added from small and medium businesses (SMEs).
35	The share of SMEs in employment (%)	The share of persons employed in small and medium businesses.

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