



European Training Foundation

EGYPT

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2020**



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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

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Since the structural reforms of 2014 the Egyptian economy has shown solid growth, with an increase in GDP from 2.2% in 2013 to 5.6% in 2019. This growth is the result of a deliberate spending policy being implemented by the government, particularly in the form of mega-projects, which include the construction of a new administrative capital city, expansion of the Suez Canal and road extensions. Though the growth has been curbed by Covid-19, GDP is nevertheless expected to rise by 2% or 3% (depending on the source). Egypt is thus outperforming the other countries in the region.

While this stimulus approach has the potential to boost economic growth and create jobs, the continued population increase in Egypt has, so far, outpaced the rate of job creation. Egypt will therefore require urgent measures to generate sufficient numbers of jobs to absorb the vast majority of the working-age population into the labour market and avoid possible social tensions.

The Technical and Vocational Education and Training (TVET) sector in Egypt comprises myriad stakeholders, all of whom are strongly engaged in a set of reforms but not yet united around a common vision. To address this, in 2019 various task forces were assembled to follow up on a presidential request to establish a dedicated authority for quality assurance in VET and set up the Technical and Vocational Teachers' Academy (TVETA). In September 2020, the Egyptian Cabinet of Ministers approved the draft law to establish the Egyptian TVET Quality Assurance and Accreditation National Authority (ETQAAN), paving the way for a unified approach to assuring the quality of technical education and vocational training across various providers in Egypt.

The Ministry of Education and Technical Education (MoETE), as the main VET provider in the country, is working on the implementation of its new strategy, 'Technical Education 2.0' (TE2.0), in close cooperation with various international support programmes (including those backed by the EU, Germany and the USA), with the aim of ensuring alignment to reforms, seeking complementarity between projects and working towards joint implementation. There is an opportunity to expand and further formalise this coordination mechanism within the framework of the revised comprehensive governance model for the entire VET sector.

TVET Egypt, a programme supported by the EU, is entering its final year of implementation, during which it will be key to capitalise on its achievements and successes in areas such as competency-based curriculum development. Other deliverables, however, such as a national labour-market information system (LMIS) and the sector skills councils (SSCs) have yet to materialise.

The MoETE responded swiftly to the Covid-19 crisis by setting up digital and online learning systems. It is important that these experiences are capitalised upon and fed into longer-term policy work around blended learning.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Egypt is a big country, geographically, and, geopolitically, it occupies a strategic position, as a bridge between Africa and the Middle East. It is also big in terms of its population (although with a vertical concentration of population along the Nile river): with 98.1 million in 2019 (up from 83.7 million 2013)¹ it is the most populous Arab country. Although the annual population growth rate has dropped significantly, it has remained fairly stable, at around 2%, and current estimates are that the population will reach 151 million by 2050². The proportion of young people aged 15–24 has been decreasing slightly, though it remains high (27.8% in 2019). This sizeable youth population presents significant 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. However, it also presents an enormous opportunity, in terms of advancing the development of the economy and the well-being of the population. A country's economic progress depends on its ability to turn the availability of a young labour force into employment growth. This can be achieved by specific social and economic reforms, such as those relating to the education system and the labour market.

Egypt is a major migration player in the Middle East and North Africa (MENA) region, experiencing substantial and 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. Their remittances back home make up 8.9% of the country's gross domestic product (GDP)³. 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 Palestinian, Sudanese and, since 2011, Syrian refugees. Over the past few years, Egypt has also served as a transit country on migrant routes used by sub-Saharan Africans crossing the Mediterranean towards Europe⁴.

Egypt is classified as a lower middle-income country. Despite the unstable regional and internal political and economic situations, the Egyptian economy has shown solid growth since the structural reforms of 2014, with GDP increasing from 2.2% in 2013 to 5.6% in 2019. According to the World Bank, this growth is largely driven by expansion in the gas extractives, tourism, manufacturing, construction and information and communications technology (ICT) sectors, while private investment is also picking up and net exports are improving⁵. Growth has obviously been hampered by the Covid-19 pandemic, but estimates still suggest positive growth of 2% to 3% in GDP (depending on the source)⁶. At the macroeconomic level, Egypt's economy is also affected by global factors: a decrease in remittances from, for example, Egyptian workers in the Gulf states, together with a drop in revenue due to less traffic in the Suez Canal (about 4% of GDP), as well as lower global demand for oil and

¹ CAPMAS, 'Egypt in Figures', 2019.

² <https://egypt.unfpa.org/sites/default/files/pub-pdf/PSA%20Final.pdf>

³ <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>

⁴ <https://www.migrationpolicy.org/article/egypt-migration-and-diaspora-politics-emerging-transit-country>

⁵ World Bank, *Egypt's Economic Outlook*, April 2019.

⁶ The IMF expects Egypt's GDP to grow by just 2.0% in 2020, whereas the World Bank anticipates 3.5% growth.

gas are all having an impact on overall performance. Nevertheless, Egypt is outperforming other countries in the region⁷.

GDP growth has not, however, translated into a major increase in quality jobs; in fact, participation in the labour force and employment rates have dropped, while poverty rates have risen. Human capital is Egypt's main resource, meaning the way in which human capital development challenges are addressed in the future will determine, to a large extent, the overall success of the country. In 2020, inflation decreased to 5.9% from its 2017 peak of over 20%⁸. 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-oil manufacturing are the main sectors driving economic growth. Services are increasing their contribution to GDP, accounting for 50.5% in 2019, while the contribution by industry has declined from 39.9% in 2013 to 35.6% in 2019, and agriculture remained at 11.0%. This sectoral redistribution might, however, have been affected by the Covid-19 pandemic.

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 Bank⁹. 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 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. These reforms allow for optimism in terms of economic development.

The construction sector is benefiting from a deliberate government spending policy to boost growth through mega-projects, including the establishment of a new administrative capital city, expansion of the Suez Canal, road extensions and the construction of one million new residential units to replace slum areas. Such a stimulus approach has the potential to boost the competitiveness of the economy, attract foreign and domestic private investments, and create jobs, but it also comes with a risk of increased budget deficits¹⁰.

Attention is also focused on improving the business climate. An Industrial Licensing Law and a New Investment Law have already been passed, while a New Insolvency Law is currently being discussed in parliament. These are critical pieces of legislation for enhancing the business environment, as the current negative conditions for new businesses reduce entrepreneurial initiative and job creation. Egypt was 114th in the World Bank's 'Doing Business' ranking for 2020, up from 128th position in 2017¹¹. The country ranked 93rd out of 140 economies in the World Economic Forum's Global Competitiveness Index in 2020 – a position that has been stable since 2017¹². In 2019, Egypt was 106th out of 180 countries in Transparency International's Corruption Perceptions Index (up from 117th in 2017)¹³.

⁷ <https://www.imf.org/en/Countries/EGY> and <https://data.worldbank.org/country/egypt-arab-rep>

⁸ <https://www.imf.org/en/Countries/EGY>

⁹ African Development Bank, 'Addressing informality in Egypt', Working Paper, 2016.

¹⁰ <https://oxfordbusinessgroup.com/overview/social-constructs-state-focusing-sector-key-driver-economic-growth-various-projects-planning-or>

¹¹ <https://www.doingbusiness.org/content/dam/doingBusiness/country/e/egypt/EGY.pdf>

¹² World Economic Forum, *The Global Competitiveness Report 2020*.

¹³ <https://www.transparency.org/country/EGY>

However, while structural reforms have positive prospects according to international assessments, they need to be stepped up in order to avoid possible social tensions. Social conditions remain difficult. Although social protection programmes have been stepped up, their impact remains limited, as the erosion of real incomes continues to be a concern¹⁴. While inequality, as measured by the Gini index¹⁵, was moderately low (31.5%) in 2017, real income has been eroded by inflation. National poverty estimates, calculated using a new poverty line set each survey year, reveal a worsening trend. The proportion of those in poverty rose from 25.2% in 2010 to 32.5% in 2017/2018¹⁶. In 2019, Egypt ranked 116th out of 189 countries on the human development index of the United Nations Development Programme (UNDP)¹⁷, thus falling into the medium human development category.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Egypt has the largest overall education system in the MENA region, with 27.6 million students in pre-tertiary education – a number that is growing as a result of strong demographic pressure. The country's educational infrastructure is having 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. Private education accounts for around 15% of the education system¹⁸.

The public education system in Egypt consists of three levels: basic education, secondary school (International Standard Classification of Education (ISCED) level 3) and 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, as well as 2% of GDP to university education, the aim being to increase these percentages annually to reach global public-spending levels¹⁹. According to the available data, 8.9% of total public expenditure in 2017/2018 was on education – a significant decrease from 11% in 2015/2017 and 17% in 2000/2001. In addition, the ratio of expenditure on education to GDP decreased from 5.3% in 2000 to just under 3.7 % in the last two years²⁰.

Egypt has a relatively low-skilled labour force: in 2018, 39.6% of the active adult population had attained only a basic or less than basic level of education (down from 41.7% in 2015), 39.5% a medium level of education (slightly up from 39.2% in 2015) and only 20.8% a high level of education (up from 19.1% in 2015). However, ongoing government efforts to improve access to education are

¹⁴ World Bank, *Egypt's Economic Outlook*, April 2019.

¹⁵ <https://data.worldbank.org/indicator/SI.POV.GINI?locations=EG>

¹⁶ World Bank, *Egypt's Poverty & Equity Brief*, October 2019:
https://databank.worldbank.org/data/download/poverty/33EF03BB-9722-4AE2-ABC7-AA2972D68AFE/Global_POVEQ_EGY.pdf

¹⁷ <http://hdr.undp.org/en/content/2019-human-development-index-ranking>

¹⁸ <http://uis.unesco.org/country/EG>

¹⁹ https://sustainabledevelopment.un.org/content/documents/20269EGY_VNR_2018_final_with_Hyperlink_9720185b45d.pdf

²⁰ ETF, 'Torino Process 2018–2020: Egypt National Report' – <https://openspace.etf.europa.eu/trp/torino-process-2018-2020-egypt-national-report>

bearing fruit. Egypt is trending positively on certain key educational indicators, according to the latest data from the United Nations Educational, Scientific and Cultural Organisation (UNESCO). In 2018, the net enrolment rate in primary education reached 98.0% and gross enrolment in upper secondary education increased to 76.2%, from 69.5% in 2013. Egypt also has a well-developed and extensive tertiary education system, with 35.2% of Egyptians taking this opportunity (gross enrolment rate in tertiary education in 2018)²¹.

In the academic year 2017/2018, more than two million students were enrolled in the 2,914 VET institutes (ISCED 3). So, in 2019, 46.9% of the total number of students in upper secondary education in Egypt were in VET (51.3% men and 42.0% women). The trend has been moving steadily upwards since 2016 (more so among men than women)²². It must be emphasised that the relatively high percentage of enrolment in VET is the result of the student evaluation system, whereby students are allocated according to their school marks, with the higher performers being allocated to general secondary education and the others being directed to VET. While in most countries VET is seen as a second choice, in Egypt it is the only option for many students. Although bridging pathways to allow VET students to continue their studies and access higher education formally exist, these have not led to easy vertical routes. Only a small percentage of VET graduates enter university, while others continue to mid-level technical colleges affiliated to the Ministry of Higher Education and Scientific Research.

Despite the progress made to date, the quality and relevance of education are 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 (TIMSS) show that only 47% of grade 8 students reached the 'low' international benchmark of performance in mathematics compared with the international average of 84% (the figures for grade 8 science were 42% and 84%, respectively). As a coping strategy, many parents pay for private tutoring in addition to regular schooling. This custom is an ongoing challenge to the education system and has lasting negative effects on both teaching and learning²³.

2.2 Education and training policy and institutional setting

The 2014 constitution commits to the expansion and quality of general education and VET 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 it contains three strategic dimensions – economic, social and environmental – 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 VET in particular, has been in the spotlight. There is a broad consensus on the need for education reform and the programme of the MoETE is supported by the president and the government. However, progress in VET reform remains modest and slow, as there is no agreed vision for VET development. In 2014, the Executive Council for VET was established under the leadership of the MoETE. The council formally works under the

²¹ <http://uis.unesco.org/country/EG>

²² ETF, 'Torino Process 2018–2020: Egypt National Report' – <https://openspace.etf.europa.eu/trp/torino-process-2018-2020-egypt-national-report>

²³ OECD, *Schools for Skills – A New Learning Agenda for Egypt*, 2015.

umbrella of the Supreme Council for Human Resources Development, but has met only once so far, in 2018. 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 that has paralysed TVET reform for too long²⁴. To end this stalemate, in 2019 the president issued a request to set up a dedicated authority for quality assurance for VET (ETQAAN) and to establish a teacher-training academy for VET (TVETA). Prominent task forces were established to finalise the strategy papers and, in September 2020, the draft law to establish ETQAAN was approved by the Cabinet of Ministers, paving the way for a unified approach to assuring the quality of technical education and vocational training across various providers in Egypt.

The MoETE, as the main VET provider in the country, is also working on the implementation of a reform strategy, dubbed Technical Education 2.0 (TE2.0), which was launched in 2019 around five main reform pillars. The strategy aims to increase the attractiveness and relevance of VET, ensure its quality, train teachers, review the governance model and establish new models of public–private partnerships.

In addition to the reforms within compulsory education, the government is seeking to modernise the higher education sector. In 2018, a Law for the Establishment of New Technological Universities was approved, with, initially, eight universities planned. These will be publicly owned and will offer two- and four-year programmes across a range of specialities, including agriculture, industry, technology and commerce. The courses will be open to students with general secondary school certificates, as well as those who have attended a technical school. It is envisaged that the model will build further on that of the Integrated Technical Educational Clusters (ITECs), which deliver all levels of technical and vocational qualifications in a given sector.

Despite the fact that different stakeholders have worked autonomously on separate reform initiatives, some common positive trends can be identified in recent years: a shift in the policy agenda to a more employment-oriented focus (transition from school to work, role of sector skills, etc.); a trend towards quality assurance for VET (within the MoETE and beyond); a more demand-oriented VET vision (increased provision of work-based learning (WBL)) and models of public–private partnerships through, for example, applied technology schools, etc.; and increased collaboration between stakeholders and international partners at regional and local levels. In this regard, the incentives created through the establishment, in May 2019, of the National Investment Charity Fund for Education under the new Capital Market Authority Law might be pivotal for diversifying VET funding through new public–private partnership models.

With the establishment of ETQAAN, the responsibilities of the National Authority for Quality Assurance and Accreditation of Education (NAQAAE) on VET will need to be reviewed. It is envisaged that the NAQAAE will remain responsible for all other educational qualifications and accreditation. In the medium term, the NAQAAE and ETQAAN will need to work out mechanisms for coordination. The development of a national qualifications 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,

²⁴ OECD, *Schools for Skills – A New Learning Agenda for Egypt*, 2015.

though it has not yet been formally approved. The NQF law is still going through the parliamentary process and is expected to be dealt with in parallel to the ETQAAN debate.

An important priority in terms of VET reforms is the reinforcement of current WBL initiatives. The most important of these is the dual system piloted through the Mubarak–Kohl Initiative, which currently accounts for 2% of VET. There is a strong political will to mainstream models of WBL throughout the education system and to increase WBL to involve 100,000 students a year, with the goal of increasing the percentage of students in work-based learning to 50% by 2025. The MoETE is developing public–private partnership models to engage industry in training through the applied technology schools initiative and through centres of competence, with support from Germany and the EU. In 2020, a large-scale German support programme initiated the roll-out of an Egyptian version of the ‘dual system’. Other WBL initiatives, such as productive schools and factories inside schools, might be enhanced and could be significantly improved in terms of the quality of training. In addition, the Productivity and Vocational Training Department (PVTD), which is under the aegis of the Ministry of Trade and Industry, is expanding the concept of ‘training stations’ within companies. The private sector is also engaging in other training approaches. For example, the joint occupational training centre run by Siemens and the Egyptian government in Ain Sokhna is expected to provide training to more than 5,000 young Egyptians in the coming years, thus developing a cohort of skilled technicians to ensure the maintenance and repair of power plants, wind farms, etc.

Since 2014, the MoETE has operated the Labour System (‘Nezam El Ommal’), whereby students can complete their technical education programme while working. The system currently hosts around 350,000 students. While this system, in principle, reflects a positive form of work-based learning or recognition of prior learning, in practice, it requires restructuring to overcome some of the operational challenges, including the perception of it among some students as an easy way out of regular attendance, which reflects negatively on the quality and image of technical education.²⁵

In the past, Enterprise TVET Partnerships (ETPs) were established to improve the link between VET and the private sector, but these have been discontinued. In 2019, the Federation of Egyptian Industry (FEI) started looking into how to revitalise the platforms around the concept of sector skills councils (SSCs), with the support of the EU-funded TVET Egypt programme. It is envisaged that the SSCs will abandon the function of the former ETPs to provide VET and, instead, focus on aligning VET supply and demand, ensuring the quality and relevance of qualifications, and participating in the assessment process. In parallel, the European Bank for Reconstruction and Development has initiated a sector platform approach for the electrical cables sub-sector.

The EU remains a strong supporter of the Egyptian education sector as a whole, with particular emphasis on increasing access to, and the quality of, education, especially 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 VET, the EU provides support through the TVET Egypt programme²⁶ (2013–2023) (EUR 50 million), which is co-funded by the Egyptian government (EUR 67 million)²⁷. The programme aims to improve the structure and

²⁵ ETF, ‘Torino Process 2018–2020: Egypt National Report’ – <https://openspace.etf.europa.eu/trp/torino-process-2018-2020-egypt-national-report>

²⁶ Previously referred to as the TVET II programme.

²⁷ The ETF has been supporting TVET reform by providing content and methodological advice to the TVET Egypt Programme Implementation Unit and, in particular, by supporting the governance component of the programme, as well as the development of the competence-based curriculum.

performance of the TVET system to better respond to Egypt's rapidly changing socioeconomic needs, with a focus on youth employability and national competitiveness. This reform has been identified by policy makers and experts as a high priority because of its potential to help reduce unemployment, promote social equity and enhance the country's global competitiveness. The programme is entering its final year, in which it will be key to capitalise on its achievements and successes in areas such as competency-based curriculum development. Other deliverables, however, such as a labour-market information system (LMIS) and the SSCs, have yet to materialise.

Given the political pressure around the VET reforms, the MoETE is facilitating the coordination of the various international projects (including those supported by the EU, Germany and the USA) with the aim of ensuring alignment to TE2.0 reform, seeking complementarity between the projects and working towards joint implementation. There is an opportunity to expand and further formalise this coordination mechanism within the framework of the revised comprehensive governance model for the entire VET sector.

The MoETE responded swiftly to the Covid-19 crisis by setting up digital and online learning systems, and actively promoting the use of the online 'Edmodo'²⁸ as the main teaching and learning platform. Promoting digital learning and designing digital-skills initiatives for learners and teachers will be a long-term effort, so it is important that these experiences are capitalised upon and fed into longer-term policy work around blended learning. A task force has been set up for this purpose, and key development partners are joining in the efforts.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Even in a context of economic growth, the labour market has not been operating at its full potential. In fact, participation in the labour force has been declining over the past few years. Although the overall size of the Egyptian labour force is steadily increasing, at an annual rate of around 1.8%, less than half of Egyptians of working age (15+) are in the labour force, with the result that the labour-force participation rate dipped as low as 43.3% in 2018, down from 47% in 2015 and 49.4% in 2010. This trend appears to be mainly driven by a fall in the activity rate of men, from 74.9% in 2010 to 67.7% in 2018 (-7.2 percentage points). The activity rate of women hit a low of 18.4% in 2018 (down from 23.1% in 2010) – just over a quarter of the participation rate of men.

The employment rate is following a similar downward trajectory, having dropped from 45% in 2010 to 39.1% in 2018, mainly as a result of the decrease in the male employment rate from 71.3% to 63.1% over the same period. The female employment rate is more than four times lower than the male employment rate, with just 14.4% of working-age women employed in 2018 (down from 18% in 2010). Women face substantial barriers in finding work and in remaining employed, especially after marriage, which obviously affects the female employment rate. The majority of women entering the labour market are medium to highly skilled.

Services dominate the employment structure, accounting for a 51.3% share in 2018. The share accounted for by agriculture is declining, from 28.2% in 2010 to 21.6% in 2018, while industry and

²⁸ <https://new.edmodo.com/>

construction employed 26.8% of the workforce in 2018, compared with 25.3% in 2010. Although employment is slowly decreasing in agriculture in favour of the services sector, the overall structure of the economy has remained similar over the years. The full effect Covid-19 will have on the structure of the labour market is yet to become apparent, although the impact on some sectors, e.g. tourism, is already clear. Though Egypt imposed a looser lockdown than other countries, nevertheless it severely affected the Egyptian economy. Tourism (about 5% of GDP) came to a virtual standstill because of airport closures, leaving the sector dependent on low-value domestic visitors only.

The continued population growth in Egypt has outpaced the rate of job creation. In response, Egypt will need to take urgent measures to generate sufficient numbers of jobs to absorb the vast majority of the working-age population into the labour market²⁹. Most of the new jobs recently created have been in the private sector, while public employment has been decreasing since 2005 (except in some sectors, such as education), as a result of the deficit-reduction measures applied by successive cabinets. Employment in the private sector continues to be dominated by small firms and informal work. A total of 98% of Egypt's firms are micro enterprises, often limited to low-value-added activities. The informal economy currently accounts for 48–70% of employment, according to estimates by the African Development Bank³⁰. Informal employees were affected most by the fallout from Covid-19, because of the lack of a safety net. To mitigate the impact on the unorganised labour force, Egypt introduced monetary compensation (EGP 500) for which informal workers could register via an online database run by the MoMM.

The total unemployment rate decreased (from 13.1% in 2015 to 9.8% in 2018) – as did the rates for both men and women – though it has not yet reached the 2010 level (8.8%). The female unemployment rate remained particularly high, at 21.3% in 2018, mainly driven by the low number of women in the labour market. Cultural and family factors, including care obligations, are the main causes of the low rate of female participation in the labour force. Furthermore, labour-market and working conditions are affecting women's decisions, with job security remaining a significant factor when choosing employment in the public sector. Overall, finding employment is more difficult for those who are better educated and looking for a good-quality job: the unemployment rate (aged 15+) among those with a high level of education was 22.1% in 2018, compared with 10.4% among those with a medium level of education.

Given the overall weak performance of the labour market, the transition from school to work has become more difficult for young people. Despite a slight improvement, youth unemployment remains high (24.7% in 2018, down from 31.6% in 2015), particularly among young women (51.6% in 2018). This indicates a weak link between educational outputs and labour market needs, resulting in inadequate curricula that don't appear to be aligned to the competencies required by employers, as well as a mismatch between them in terms of quality and expectations. Almost half of working young people (47.7%) are in occupations that do not match their education, that is, they are over-educated or under-educated³¹. Over-education is an issue predominantly in the elementary occupations, followed by clerks and skilled agricultural and fishery workers³². At the same time, employers report difficulties

²⁹ ILO, 'In Pursuit of Equality and Prosperity in Egypt', 2018.

³⁰ AfDB, 'Addressing informality in Egypt', Working Paper, North Africa Policy Series, 2016; Mirna Khaled Abdulaal, 'Growth and transition: the informal sector and the knowledge economy', 3 April 2017 – <https://egyptianstreets.com/2017/04/03/growth-and-transition-the-informal-sector-and-the-knowledge-economy/>

³¹ 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

³² ETF, 'Skills mismatch measurement in the ETF partner countries', 2019.

finding skilled labour, and skills gaps increased to 19% in 2016, according to the World Bank Enterprise Survey³³.

The proportion of young people (aged 15–24) not in employment, education or training (NEETs) is very high (27.1% in 2018). This is a slight improvement on the figure for 2010 (33.1%), largely thanks to a substantial decrease among young women who are NEET, from 52.0% in 2010 to 36.5% in 2018, suggesting a higher rate of educational retention rather than an increase in employment. According to a World Bank survey conducted in 2014, the three main risk factors associated with an increased probability of being NEET are: having a low level of education; living in a remote area; and gender³⁴. Two out of three young women in rural Egypt (69.7%) and more than half of young women in urban areas (60.4%) are NEET. In contrast, only one in eight young men in urban areas (13.2%) and a tenth in rural Egypt (10.5%) are NEET. This shows the need for further restructuring of the Egyptian labour market in terms of quality job creation and improving its efficiency.

3.2 Employment policy and institutional setting

Since the structural reforms of 2014 the Egyptian economy has shown solid growth, but this has not translated into a major increase in quality jobs. Indeed, participation in the labour force and employment rates have actually declined, while poverty rates have risen. Human capital is Egypt's main resource, which means the way in which these challenges are addressed will determine, to a large extent, the overall success of the country.

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 these offices are under-developed, under-staffed and under-resourced; they provide a very limited range of employment services, merely issuing work permits and registrations³⁵. The MoMM has drafted a new Labour Law, which is pending discussion in parliament. Under the new law, the Supreme Council for Human Resources Development would likely be replaced by a new Council for Human Resources Development and Skills, chaired by the prime minister.

A comprehensive LMIS does not yet exist in Egypt. Data are mainly gathered through administrative sources (employment offices) and from the labour force surveys conducted by the Central Agency for Public Mobilisation and Statistics (CAPMAS). Various mechanisms exist to identify the needs of the labour market and develop relevant qualifications, such as the National Skills Standards Programme within the Industrial Training Council. However, these give only a partial picture. A number of international and national stakeholders are working together under the umbrella of the TVET Egypt programme to develop a comprehensive LMIS under the auspices of the Information and Decision Support Centre (IDSC). In addition, the International Labour Organisation (ILO) and the German development agency GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) are supporting Egyptian stakeholders in improving data-gathering and analysis through the Regional Labour Market Observatories. The TVET Egypt programme has developed a tracer study to gather information about

³³ <http://microdata.worldbank.org/index.php/catalog/2896/study-description>

³⁴ The Survey of Young People of Egypt involved a nationally representative sample of 10,916 young people.

³⁵ Amer, M., 'Active labour market policies: Mapping of existing initiatives in Egypt', paper presented in Cairo, October 2012.

graduates' employability, and this is currently in the pilot phase. It is envisaged that the tracer study will cover the whole VET sector.

Reducing high unemployment, especially among women and young people, is a priority for the Egyptian government. While macroeconomic policies and structural reforms aim to support job creation, numerous ongoing and emerging initiatives for active labour-market policies are being 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.

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 only for the MoETE, they were also established in the MoMM and the Ministry of Trade and Industry in 2018). Regional units with career-guidance, employment and entrepreneurship functions have been established at the governorate level. Career-guidance functions are expected to be established at every school level within the framework of the TVET Egypt 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. Following its approval by the Supreme Council for pre-university education, the curriculum is now being rolled out in all technical secondary schools.

As small and medium-sized enterprises (SMEs) are highly exposed to the impact of the Covid-19 pandemic, the government has launched a number of initiatives, in cooperation with the Central Bank of Egypt and international financial institutions such as the EBRD, to extend credit-repayment periods, relax various tax measures and provide financial aid.

For further information, please contact Thierry Foubert, European Training Foundation, email: Thierry.Foubert@etf.europa.eu.

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- [Mapping of Covid-19 impact on education and training](#)
- NQF Inventory Country Page <https://openspace.etf.europa.eu/nqf-inventories>

EGYPT: STATISTICAL ANNEX

Annex includes annual data from 2010, 2015, 2018 and 2019 or the last available year.

	Indicator	2010	2015	2018	2019	
1	Total Population (000) ⁽¹⁾	82,761.2	92,442.5	98,423.6	100,388.1	
2	Relative size of youth population (age group 15–24, %) ^{(1) (2) (3)}	32.0	29.1	28.1	27.8	
3	GDP growth rate (%)	5.1	4.4	5.3	5.6	
4	GDP by sector (%)	Agriculture added value	13.3	11.4	11.2	11.0
		Industry added value	35.8	36.6	35.0	35.6
		Services added value	46.2	53.2	51.5	50.5
5	Public expenditure on education (as % of GDP)	M.D.	M.D.	M.D.	M.D.	
6	Public expenditure on education (as % of total public expenditure) ⁽¹⁾	13.7	11.4	M.D.	M.D.	
7	Adult literacy (%)	72.0	M.D.	71.2 (2017)	M.D.	
8	Educational attainment of adult population (aged 25–64 or 15+) (%) ⁽⁷⁾	Less than Basic	33.7 ⁽⁴⁾	27.9 ⁽⁵⁾	24.4 ⁽⁶⁾	M.D.
		Basic	10.3 ⁽⁴⁾	13.8 ⁽⁵⁾	15.2 ⁽⁶⁾	M.D.
		Medium	37.2 ⁽⁴⁾	39.2 ⁽⁵⁾	39.5 ⁽⁶⁾	M.D.
		High	18.8 ⁽⁴⁾	19.1 ⁽⁵⁾	20.8 ⁽⁶⁾	M.D.
9	Early leavers from education and training (aged 18–24) (%)	Total	M.D.	27.8 ⁽³⁾ (2012)	M.D.	M.D.
		Male	M.D.	25.9 ⁽³⁾ (2012)	M.D.	M.D.
		Female	M.D.	29.7 ⁽³⁾ (2012)	M.D.	M.D.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	48.2	M.D.	76.6	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	50.7	M.D.	46.5	46.9	
12	Tertiary education attainment (aged 30–34) (%) ⁽³⁾	M.D.	20.4 (2012)	M.D.	M.D.	
13	Participation in training/lifelong learning (aged 25–64) (%)	Total	M.D.	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.	M.D.
14	Reading	N.A.	N.A.	N.A.	N.A.	

	Indicator		2010	2015	2018	2019
	Low achievement in reading, mathematics and science – PISA (%)	Mathematics	N.A.	N.A.	N.A.	N.A.
		Science	N.A.	N.A.	N.A.	N.A.
15	Activity rate (aged 15+) (%) ⁽³⁾	Total	49.4	47.0	43.3	M.D.
		Male	74.9	70.5	67.7	M.D.
		Female	23.1	22.7	18.4	M.D.
16	Inactivity rate (aged 15+) (%) ⁽³⁾	Total	50.6	53.0	56.7	M.D.
		Male	25.1	29.5	32.3	M.D.
		Female	76.9	77.3	81.6	M.D.
17	Employment rate (aged 15+) (%) ⁽³⁾	Total	45.0	40.8	39.1	M.D.
		Male	71.3	63.9	63.1	M.D.
		Female	18.0	17.0	14.4	M.D.
18	Employment rate by educational attainment (% aged 15+) ^{(3) (8)}	Low	38.4	34.3	32.3	M.D.
		Medium	49.7	44.8	43.3	M.D.
		High	63.1	59.4	54.7	M.D.
19	Employment by sector (%) ⁽³⁾⁽⁹⁾	Agriculture	28.2	25.8	21.6	M.D.
		Industry and Construction	25.3	25.1	26.8	M.D.
		Services	46.3	49.1	51.3	M.D.
20	Incidence of self-employment (%) ⁽³⁾		37.8	37.5	31.4	M.D.
21	Incidence of vulnerable employment (%) ⁽³⁾		23.1	25.5	19.0	M.D.
22	Unemployment rate (aged 15+) (%) ⁽³⁾	Total	8.8	13.1	9.8	M.D.
		Male	4.8	9.4	6.8	M.D.
		Female	22.1	24.8	21.3	M.D.
23	Unemployment rate by educational attainment (aged 15+) (%) ⁽³⁾⁽⁸⁾	Basic	1.4	5.7	2.8	M.D.
		Medium	12.5	16.7	10.4	M.D.
		High	18.5	21.6	22.1	M.D.
24	Long-term unemployment rate (aged 15+) (%)		7.4	11.3	9.2 (2017)	M.D.
25	Youth unemployment rate (aged 15–24) (%)	Total	24.3	31.6	24.7	M.D.
		Male	14.3	28.5	17.1	M.D.
		Female	53.4	38.3	51.6	M.D.

	Indicator	2010	2015	2018	2019	
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	Total	33.1	27.6	27.1	M.D
		Male	15.8	19.8	18.6	M.D
		Female	52.0	35.8	36.5	M.D

Last update: end of August 2020

Sources:

Indicators 1, 2, 3, 4 – The World Bank, World Development Indicators database

Indicator 6 – EUROSTAT

Indicators 7, 10, 11 – UNESCO, Institute for Statistics

Indicators 8, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 – ILOSTAT

Indicators 9, 12 – Egyptian Labour Market Panel Survey, Economic Research Forum.

Notes:

(1) Estimations

(2) Denominator population 15–64

(3) Based on ETF calculations

(4) LOW, less than basic = no schooling + ISCED 0; LOW, basic = ISCED 1; MEDIUM = ISCED 3+4; HIGH = ISCED 5+6

(5) LOW, less than basic = no schooling + ISCED 0; LOW, basic = ISCED 1+2; MEDIUM = ISCED 3+4; HIGH = ISCED 5+6

(6) LOW, less than basic = no schooling; LOW, basic = ISCED 1+2; MEDIUM = ISCED 3+4; HIGH = ISCED 5+6

(7) In some cases, totals do not add up to 100% because of respondents with no stated level of education.

(8) Medium = ISCED 3+4; High = ISCED 5+6; Low (2010) = No schooling + ISCED 0 + ISCED 1; Low (2015) = No schooling + ISCED 0 + ISCED 1 + ISCED 2; Low (2016–2019) = No schooling + ISCED 1 + ISCED 2.

(9) In some cases, sectors do not add up to 100% because the economic sector was not classified.

Legend:

N.A. = Not Applicable

M.D. = Missing Data

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, countries may report legal or registered residents.
2	Relative size of youth population (age group 15–24) (%)	This is the ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74 or 15+).
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	GDP by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4.
5	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 organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage 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 (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of the population aged 15 years and over who can both read and write a short simple statement on his/her everyday life, and understand it. Generally, 'literacy' also encompasses 'numeracy' – the ability to make simple arithmetic calculations.

	Description	Definition
8	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. This is usually measured in terms of the highest educational programme successfully completed, which is typically certified by a recognised qualification. Recognised intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (age group 18–24) (%)	Early leavers from education and training are defined as 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 survey. Lower secondary education refers to ISCED 1997 levels 0–2 and 3C short (i.e. programmes lasting under two years) for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	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.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case, upper secondary), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Tertiary education attainment (aged 30–34) (%)	Tertiary attainment is calculated as the percentage of the population aged 30–34 who have successfully completed tertiary studies (e.g. university, higher technical institution). Educational attainment refers to ISCED 1997 level 5–6 up to 2013 and ISCED 2011 level 5–8 from 2014 onwards.
13	Participation in training/lifelong learning (age group 25–64) by sex (%)	Participants in lifelong learning refers to persons aged 25–64 who stated that they received education or training in the four weeks preceding the survey (numerator). The denominator is the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
14	Low achievement in reading, maths and science – PISA (%)	Low achievers are the 15-year-olds who are failing to reach level 2 on the PISA scale for reading, mathematics and science.
15	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called 'labour force') is defined as the sum of employed and unemployed persons. The inactive population consists of all persons who are classified as neither employed nor unemployed.
16	Inactivity rate (aged 15+) (%)	The inactivity/out of the labour force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all persons who are classified as neither employed nor unemployed.
17	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least one

	Description	Definition
		hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
18	Employment rate by educational attainment (% aged 15+)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated. Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).
19	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data are presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
20	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed.
21	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the own-account workers and contributing family workers as a proportion of the total employed.
22	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
23	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work (had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months)). Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).
24	Long-term unemployment rate (aged 15+) (%)	The long-term unemployment rate is the share of people in the total active population who have been unemployed for 12

	Description	Definition
		months or more, expressed as a percentage. The duration of unemployment is defined as the duration of a search for a job or as the period of time since the last job was held (if this period is shorter than the duration of the search for a job).
25	Youth unemployment rate (aged 15–24) (%)	The youth unemployment ratio is calculated by dividing the number of unemployed persons aged 15–24 by the total population of the same age group.
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15–24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive, according to the ILO definition); and second, they have not received any education or training in the four weeks preceding the survey. Data are expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.

LIST OF ACRONYMS

CAPMAS	Central Agency for Public Mobilisation and Statistics
ETP	Enterprise TVET Partnership
ETQAAN	Egyptian TVET Quality Assurance and Accreditation National Authority
FEI	Federation of Egyptian Industry
GDP	Gross domestic product
ICT	Information and communications technology
IDSC	Information and Decision Support Centre
ILO	International Labour Organisation
ISCED	International Standard Classification of Education
ISIC	International Standard Industrial Classification
ITEC	Integrated Technical Educational Cluster
LMIS	Labour-market information system
MENA	Middle East and North Africa
MoETE	Ministry of Education and Technical Education
MoMM	Ministry of Manpower and Migration
NAQAAE	National Authority for Quality Assurance and Accreditation of Education
NEET	Not in employment, education or training
NQF	National qualifications framework
PVTD	Productivity and Vocational Training Department
SSC	Sector skills council
TIMSS	Trends in International Mathematics and Science Study
TVET	Technical and vocational education and training
TVETA	Technical and Vocational Teachers' Academy
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VET	Vocational education and training
WBL	Work-based learning

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