

NEW FORMS OF WORK AND PLATFORM WORK IN SEMED

Country profile: Egypt

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Setting the scene

Main economic indicators

In recent years, the Egyptian economy has shown steady growth. In 2022, the Ministry of Planning and Economic Development¹ reported a significant increase in the growth rate of the country's gross domestic product (GDP) to 6.6%, compared with 3.3% in 2021. However, the economy has faced significant challenges due to global shocks, notably Russia's ongoing war in Ukraine, which has impacted the cost and prices of goods, as well as leading to a high inflation rate and currency devaluation. With three currency devaluations within the last year, the economic outlook for Egypt in 2023 remains uncertain, with the Egyptian Pound losing 50% of its value against the US dollar (USD). USD is valued at 30.68 EGP in 2023, compared with 15.71 EGP in 2022.² In addition, Egypt is grappling with soaring inflation with the annual rate reaching over 39.5% according to recent data from the Egyptian central bank.³ The services sector is the biggest contributor to GDP at 47%, followed by industry (36%), and agriculture (11%).

Due to its challenging economic situation, Egypt has become a significant sender country of international migrants, ranking among the top countries of origin worldwide. In 2022, the former Egyptian Minister for Migration, Ms. Nabila Makram, revealed that around 10 million Egyptians were registered as immigrants globally, but the actual number could be as high as 14 million, including those unconnected with Egyptian consulates abroad. Notably, Egypt stands as the 20th biggest origin country of migrants globally, and the leading country in Africa.⁴ In addition, Egypt ranks among the top five recipient countries for remittances in 2020, with remittances from Egyptian immigrants contributing 7.8% to the country's GDP in 2022, according to the World Bank. Furthermore, inward migration has also increased, impacting Egypt's economy and increasing the diversity of its labour force. In 2022, the International Organization for Migration (IOM) reported that Egypt⁵ hosted nine million international immigrants.

In general, the Egyptian economy is experiencing several challenges affecting its growth, including a high unemployment rate and dependence on unstable external sources of income such as tourism and remittances, which are vulnerable to internal and external shocks such as the COVID-19 pandemic and war in Ukraine.

Labour market

Egypt's lack of economic diversification has led to limited growth in job creation, and has resulted in high rates of unemployment, especially among women and youth.⁶

In 2020, the labour market activity rate⁷ stood at 50.4%, with a 31.7% activity rate among women and a 68.1% activity rate among men.⁸ In the same year, the employment rate was 61%, standing at 46.3%

¹ Ministry of Planning and Economic Development. *National accounts data*.

<https://mped.gov.eg/Analytics?id=61&lang=en>

² The American University in Cairo. *Sherif Kamel talks Egypt's top 3 economic challenges for 2023*.

<https://www.aucegypt.edu/news/sherif-kamel-talks-egypts-top-3-economic-challenges-2023>

³ Central Bank of Egypt. *Inflation rates historical data*. <https://www.cbe.org.eg/en/economic-research/statistics/inflation-rates/historical-data>

⁴ IOM (2022). *World migration report 2022*. <https://publications.iom.int/books/world-migration-report-2022>

⁵ IOM (2022). *IOM Egypt estimates the current number of international migrants living in Egypt to 9 million people originating from 133 countries*. <https://egypt.iom.int/news/iom-egypt-estimates-current-number-international-migrants-living-egypt-9-million-people-originating-133-countries>

⁶ Omar, D. (2022, May 8). *Gig work in Egypt: A source of income amidst suboptimal working conditions*. Business Forward AUC. <https://businessforwardauc.com/2022/05/08/gig-work-in-egypt-a-source-of-income-amidst-suboptimal-working-conditions/>

⁷ This includes both unemployed and employed citizens.

⁸ KIESE database

for women and 73.3% for men.⁹ These are among the highest activity and employment figures in the region, trailing only Israel.

In addition, the labour market in Egypt faces significant challenges. It is characterised by a high prevalence of undeclared work and a large informal sector. According to ILO, in 2019, the rate of informal employment in Egypt, excluding agriculture, stood at around 59%.¹⁰ Many workers lack insurance coverage against crucial risks such as unemployment and illness due to this pervasive informality. This phenomenon encompasses not only the poor, but also highly skilled individuals involved in undeclared self-employment and informal wage work.¹¹ To address these issues, comprehensive labour market reforms are needed to promote formalisation, bridge skills gaps and foster inclusive-formal job opportunities nationwide.

Youth statistics

Youth constitutes one-third of Egypt's total population and plays a crucial role in its economy. However, this group also encounters numerous challenges in the labour market, particularly high unemployment rates, as they struggle to find suitable job opportunities.

In 2020, the youth unemployment rate (among individuals aged 15-24) stood at 11.1%, reaching 11.9% among females and 10% among males.¹² According to the World Bank, these figures increased in 2021.¹³ Furthermore, the rate of young people not in education, employment or training (NEET) in 2020 was 27.9%; 40.3% for females and 14.4% for males.

Many young people in Egypt have insufficient skills and qualifications, forcing them into unemployment or low-quality, precarious and poorly paid jobs in the informal sector. Educated youth on the other hand are faced with tough choices between accepting undesirable jobs or delaying their entry into the workforce due to lack of quality employment opportunities.¹⁴ Moreover, a significant qualification gap¹⁵ exists between labour market requirements and the qualifications of young individuals, prompting them to pursue additional requalification after graduation to meet the needs and expectations of the labour market.

Internet and digitalisation

The ICT sector in Egypt is experiencing rapid growth, with a 16.7% increase during the fiscal year 2021/2022, according to the Ministry of Communications and Information Technology. This sector has become an attractive and competitive international market for ICT services and jobs, contributing significantly to the country's GDP. As a result, new forms of digital activities emerged in Egypt such as EdTech, e-commerce, online banking, health tech, and FinTech, in addition to the digitalisation of the governmental sector.

According to the Ministry of Communications and Information Technology (MCIT), as of 2021, 72.2% of Egypt's population had access to the internet, and the number of mobile internet users rose to 69.52 million in January 2023, compared with 63.94 million the previous January. Furthermore, in January 2023 Egypt had 2.53 million internet users via USB modem, compared to 2.25 million in January 2022. ADSL internet subscribers reached 11.13 million in January 2023, compared with 10.18 million in

⁹ KIESE database

¹⁰ https://www.ilo.org/shinyapps/bulkexplorer4/?lang=en&id=SDG_0831_SEX_ECO_RT_e

¹¹ Armanious, D.M. (2021). *Accelerating global actions for a world without poverty: Egypt experiences*. Faculty of Economics and Political Science, Cairo University. https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2021/02/Final-World-without-poverty-Egypt_31-january-2021.pdf

¹² KIESE database

¹³ <https://data.worldbank.org/indicator/SL.UEM.1524.ZS?locations=EG>

¹⁴ Assad, R. (2023). *Egypt occupational outlook*. National Forum on the Future of Work in Egypt. <https://egyptfow.com/materials.html>

¹⁵ European Training Foundation (2018). *Egypt education, training, and employment development*. <https://www.etf.europa.eu/sites/default/files/2019-03/Egypt%202018.pdf>

January 2022. Overall, it appears that the use of digital technologies increased as a response to the outbreak of the COVID-19 pandemic.

As Egypt's tech sector has evolved, demand for digital and IT skills has risen in the labour market. In addition, ICT employment in Egypt has experienced remarkable growth of 4% annually, three times the overall growth in employment. However, ICT constitutes just 2% of total employment. Women's employment in ICT is growing at 6.4% yearly, while non-ICT work is declining by 1%. By 2032, women's employment in ICT is expected to double.¹⁶

¹⁶ Selwaness, I. (2023). Potential of ICT jobs in Egypt. National Forum on the Future of Work in Egypt. <https://egyptfow.com/materials.html>

Online work on and off digital labour platforms

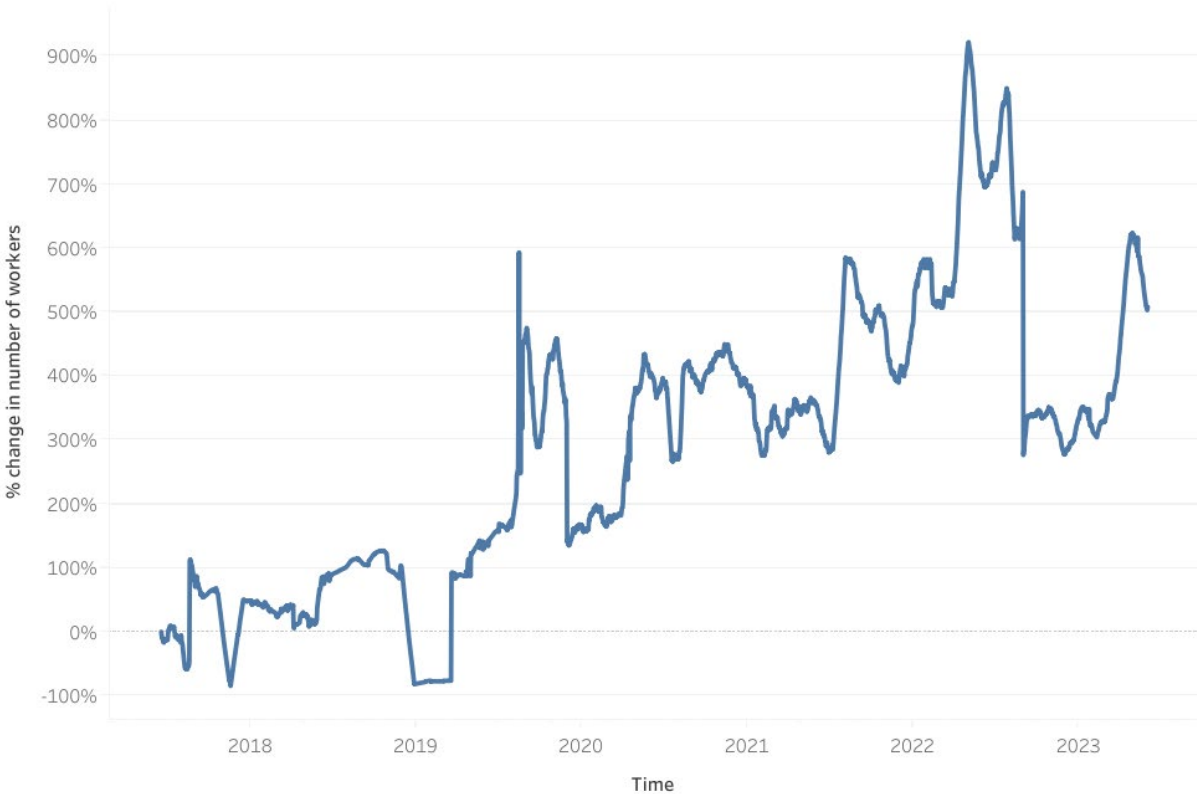
Online work is growing significantly in Egypt, as it opens up new work opportunities and creates new ways for people earn an income. Online work has become increasingly visible in recent years as many skilled workers and employers have turned their businesses towards online work on and off platforms. In, online work is usually discussed together with the issues of ICT and digitalisation.

Prevalence of online work

Based on data provided by the OLI,¹⁷ the volume of work carried out by Egyptian freelancers on the major online global platforms grew steadily from 2017 to 2023, accompanied by significant fluctuations (see figure below). The most notable spikes in worker activity were observed during the second half of 2019 and the middle of 2022. Conversely, major drops in worker activity occurred at the beginning of 2019 and around the middle of 2022. The most recent figures in May 2023 indicate a substantial growth of 500% compared with the initial measurement in June 2017, meaning that over this period the volume of online platform work has grown fivefold.

During the period in question, activity by Egyptian workers accounted for 1.74% of the global share of platform work. This represents more than half of the volume of work carried out in the SEMED region, establishing Egypt as a clear regional leader in terms of the absolute number of active platform workers.

Figure 1. Change in engagement of Egyptian online platform workers over time, relative to June 2017



Source: Online labour index.¹⁸

Note: the graph presents the percentage change in the number of active workers from Egypt on a specific day compared with the number of active workers at the start of data collection in 2017, which is used as a reference date. This graph was based on

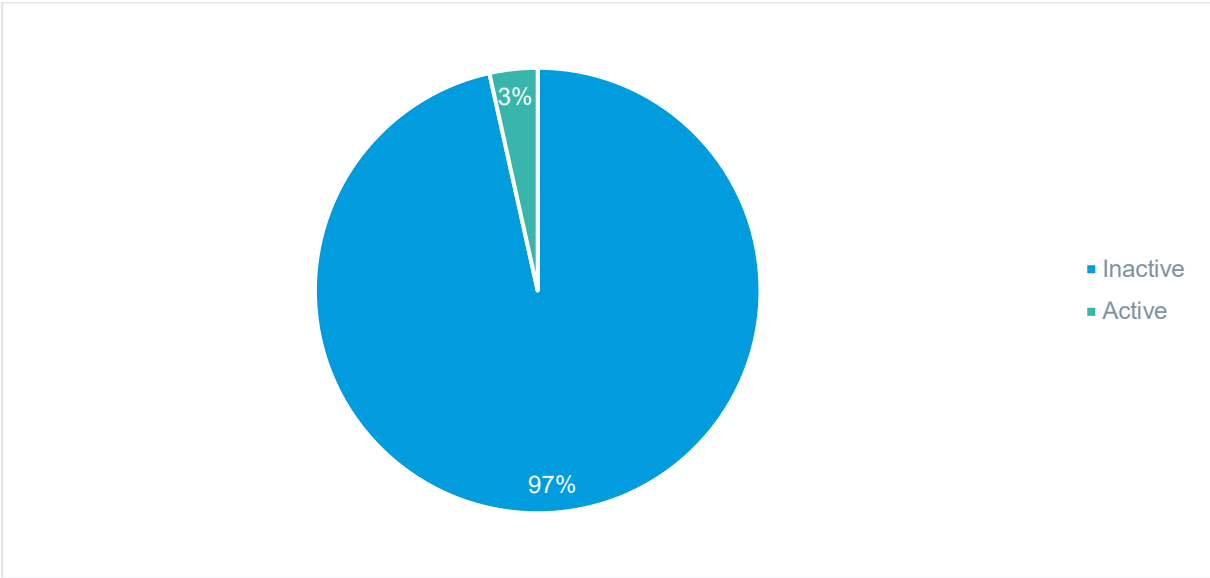
¹⁷ <http://onlinelabourobservatory.org/>

¹⁸ <http://onlinelabourobservatory.org/oli-supply/>

OLI data, which calculated a weighted estimate of currently active workers by periodically sampling workers on four of the largest online platforms once every 24 hours. OLI is based on data from five large English language platforms: Upwork, Freelancer, PeoplePerHour, Fiverr and MTurk.

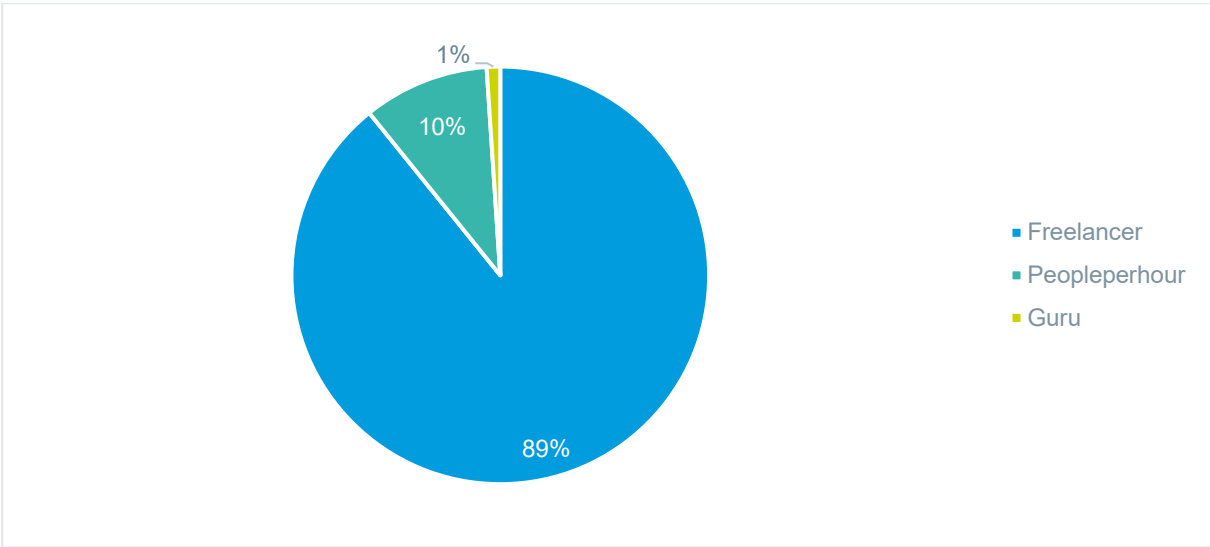
Out of the 106,848 registered Egyptian online workers on the three targeted platforms, only a mere 3% can be classified as active (see Figure 2 below). Among these active workers, the majority, consisting of over 3,300 individuals or nearly 90% of the total across the three platforms, work on the Freelancer platform. PeoplePerHour and Guru account for 10% and 1% of the active worker share, respectively (Figure 3).

Figure 2. Proportion of active and inactive online platform workers



Source: PPMI, based on data from Freelancer, Guru and PeoplePerHour collected in March 2023

Figure 3. Proportion of active online platform workers per platform



Source: PPMI, based on data from Freelancer, Guru and PeoplePerHour collected in March 2023.

In addition to the platforms included in this analysis, Egyptian freelancers are active on many more. These include English language Upwork, Arabic language Hassob, Khamsat and MostaqI, but also local Egyptian platforms such as Inploy, AI7arefa, Freelance Yard, and others.

Attractiveness of online work

There are two important pre-conditions that make online work possible. Firstly, good internet infrastructure and connectivity are crucial due to online nature of this work. Secondly, freelancers need to have necessary education and skills, particularly digital skills, domain-specific skills, as well as knowledge of foreign languages, primarily English.

The motivational factors for online work among Egyptian freelancers vary. Firstly, there is a desire for both temporal and spatial flexibility, where freelancers can work at anytime from anywhere. This is particularly important for those living outside of major cities or those with study or caring responsibilities. Furthermore, online platforms provide access to international markets where freelancers can build networks that act as a source of future well-paid gig opportunities. Being exposed to the global market also enables monitoring of the most relevant skills and their constant upgrading.

Interviews conducted for this study indicate that experienced online platform workers prefer to work for global platforms rather than Arabic or local platforms, as the latter offer low pay and a higher workload compared with global platforms. Novice freelancers tend to use simpler and less competitive platforms, especially Arabic platforms such as Hassob and Khamsat, until they build a good portfolio. Once they have done so, they upscale by joining other, highly competitive platforms such as Upwork.

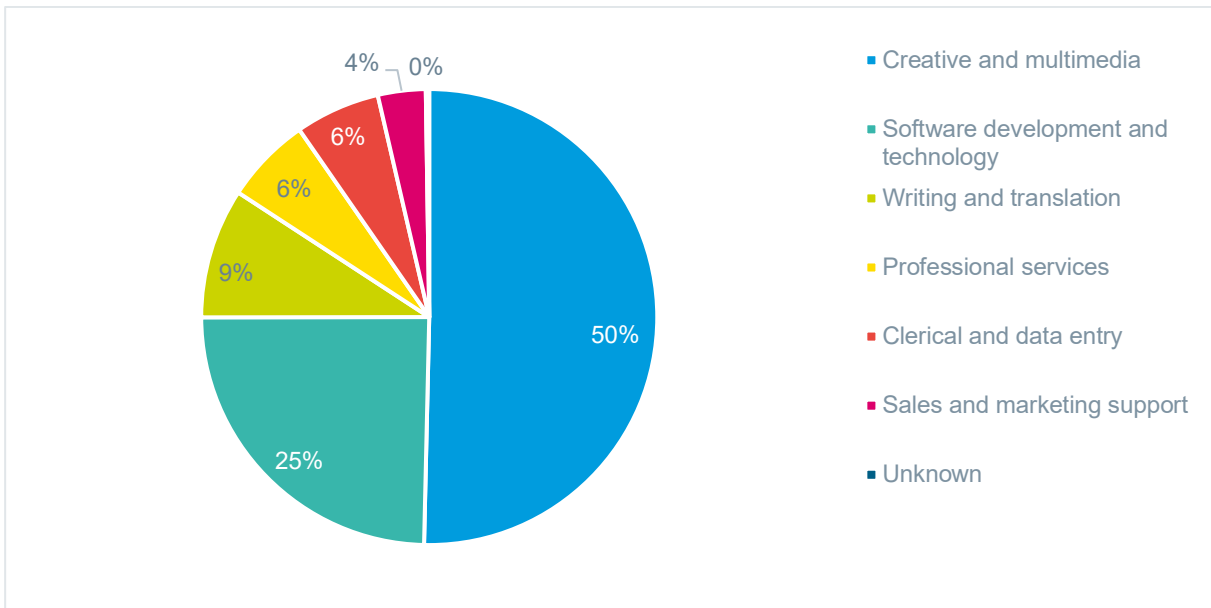
Online work opportunities can be accessed through various channels. In the case of online off-platform work, many job opportunities may be announced on social media such as LinkedIn, as well as job boards/recruitment platforms such as Wuzzuf. Other opportunities may be landed through networking and referrals. In terms of work on online platforms, workers can create specialised profiles on various online platforms, and apply for gigs which are continuously posted that match their skills and expertise.

Online work occupations and worker profiles

Limited data are available on the demographic profiles of Egyptian platform workers and their occupations. This sub-section relies on the analysis conducted for this study, based on data scraped from three major global online work platforms.

Among Egyptian online platform workers, some occupations are significantly more prevalent than others (see Figure 4 below). Approximately half of workers engage in creative and multimedia work, while a quarter work in software development and technology. The remaining quarter of workers carry out writing and translation, professional services, clerical and data entry, and sales and marketing support, respectively.

Figure 4. Distribution of occupations among active online platform workers

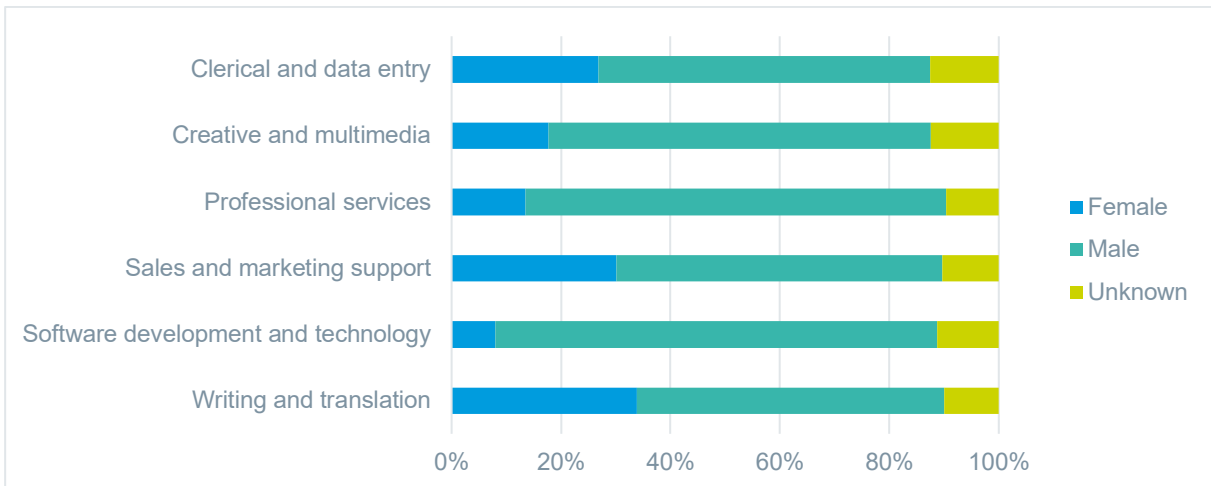


Source: PPMI, based on data from Freelancer, Guru and PeoplePerHour collected in March 2023.

Note: 'Unknown' category shows worker profiles for which occupation could not be identified.

The majority of online platform workers in Egypt are men. Based on automatically collected data, men comprise almost 80% of all active platform workers in the country. Men also dominate all six occupations included in the analysis above. Women are most represented in writing and translation, sales and marketing support and clerical data entry, and least represented in software development and technology.

Figure 5. Gender distribution of active online platform workers by occupation



Source: PPMI, based on data from Freelancer, Guru and PeoplePerHour collected in March 2023.

Note: 'Unknown' category shows worker profiles for which gender could not be identified.

With regard to freelance skills, an expert interview conducted for this study,¹⁹ stressed the importance of transversal skills such as foreign languages and time management, in addition to occupation-related technical skills. She stresses that many skilled workers fail to land freelancing opportunities, as they do not possess the required soft skills. Such skills are not provided on a quality basis within the education

¹⁹ Interview with the founder of the local platform Elharefa

system. As a result, a skills gap exists between soft skills graduates possess, and the skills the market needs.

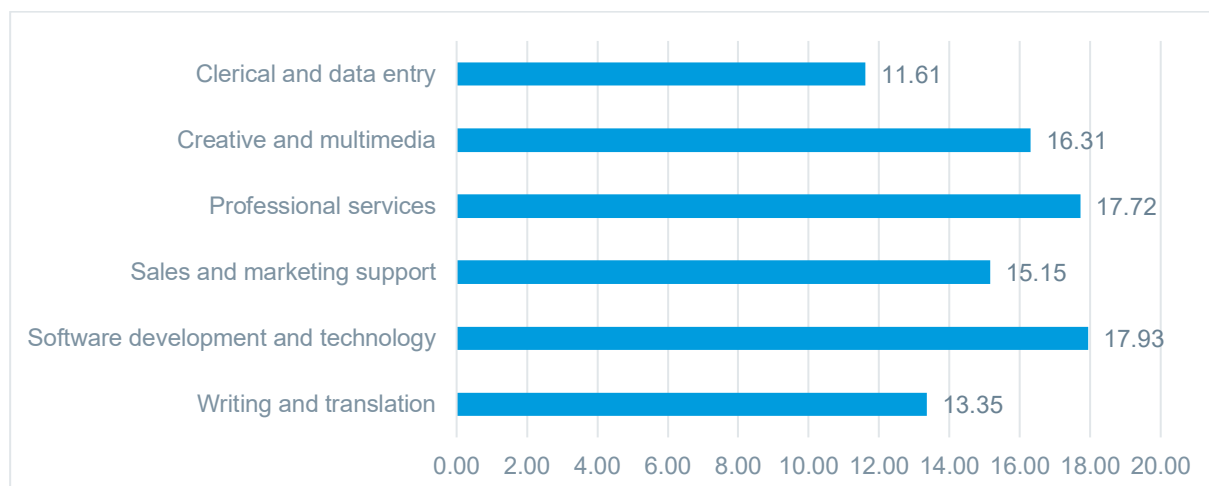
Working conditions

In terms of remuneration for online freelancing, Egyptian workers request the lowest hourly rates on platforms in the SEMED region, standing at USD 16.20. However, these rates are significantly higher than the local Egyptian average hourly wage. According to Numbeo,²⁰ average net hourly pay in Egypt in March 2023 was over 19 times lower, at just USD 0.86. It is important to note, however, that these figures are not directly comparable, as requested hourly rates may differ from what workers ultimately receive. Platform earnings are extremely irregular, and usually include a substantial amount of unpaid work. Nevertheless, this drastic difference between local and online platform hourly rates may explain the relatively high number of Egyptian online platform workers.

Notably, considerable variation in hourly wages exists between different occupations. The highest hourly wages are demanded by those in software development and technology, at USD 17.93, closely followed by professional services at USD 17.72. The lowest hourly rates, meanwhile, are observed in clerical and data entry, at just USD 11.61.

In addition, there is gender disparity in hourly pay, with men demanding higher wages than women. Egyptian men on platforms request an average of USD 16.15 per hour, while women request USD 15.59.

Figure 6 Hourly rates of active online platform workers by occupation



Source: PPMI, based on data from Freelancer, Guru and PeoplePerHour collected in March 2023.

According to interviews conducted for this study, online freelancers can encounter several issues during their work. Firstly, they face difficulties with payments from foreign contractors, as they face unclear legal procedures. Furthermore, online freelancers face multiple challenges in securing jobs on online platforms that involve high competition, especially at a global level. Therefore, it can take time for them to land their first job and build a good reputation, reviews, and a community of clients. Moreover, online platform workers need to make extra efforts to ensure that they are not dealing with scam clients. Maintaining a good reputation and receiving positive reviews on online platforms requires significant effort. Expressing negative feedback about a client, even if they engage in fraudulent activities, can be challenging. In some cases, the client might take advantage of the situation by withholding payment, pretending that the quality of work is insufficient, and using feedback as a tool to threaten the worker with refusing the payment.

²⁰ https://www.numbeo.com/cost-of-living/country_price_rankings?itemId=105

As no specific regulation exists to cover such work in Egypt, digital platforms hire online workers as independent contractors informally rather than employees, which negatively affects their social protection and legal rights. As a result, they do not have access to social or health insurance, and in general, there is little investment from the employer's side towards online freelancers and platform workers.²¹

The current provisions of Egyptian Labour Law No. 12/2003 essentially focus on employees' physical presence in the workplace, and do not include provisions regulating flexible or online work models. Many of the provisions of the Labour Law need to be updated to cope with the global digital revolution and to safeguard legal protections and the rights of online workers. Such outdated regulations have led to a notable level of informality within the online work community, and the majority of the online and platform work is informal.²²

²¹ The only category that may enjoy the full benefits of employee rights is the category of full-time remote workers, who work under existing labour laws and have the same rights as physical employees, including social and health insurance as well as skills development training, if available.

²² Omar, D. (2022, May 8). Gig work in Egypt: A source of income amidst suboptimal working conditions. Business Forward AUC. <https://businessforwardauc.com/2022/05/08/gig-work-in-egypt-a-source-of-income-amidst-suboptimal-working-conditions/>

On-location platform work

Limited research has been carried out on the on-location platform work in Egypt. However, such work has started to become the focus of policy debates, public discourse and the media. This is especially the case with the delivery platform work for which there have been calls for protection and better working conditions.²³

Prevalence of on-location platform work

There is a growing number of on-location platforms in Egypt, involving ride-hailing, delivery and domestic service platforms. While Egypt's platform economy is dominated by multinational ride-hailing companies, there is a budding local scene of start-ups.²⁴

Ride-hailing services were the first type of on-location platform work to be introduced in Egypt, with the launch of Uber in 2014 and Careem shortly afterwards. Since then, there has been an expansion in platform services beyond ride-hailing, particularly in the delivery sector. The COVID-19 pandemic further catalysed this trend, leading to a 230% surge in demand for delivery services in Egypt.²⁵

Examples of the most popular on-location platforms are provided in the table below.

Table 1. On-location labour platforms operating in Egypt

Platform	Uber	Talabat	Noon
Type of work	Ride-hailing/passenger transportation	Food delivery	E-commerce delivery
Origin	United States	Kuwait	Saudi Arabia
Business model	Connects riders with drivers who provide transportation services, and earns revenue by taking a percentage of each fare charged by drivers.	Partners with restaurants to offer delivery services for their customers via an app. Earns revenue by taking a commission from riders and restaurants on each order placed	Connects buyers with sellers to facilitate online purchases and deliveries.

²³ <https://egyptianstreets.com/2023/04/02/demanding-fairness-towards-better-conditions-for-egypts-digital-platform-workers/>
<https://businessforwardauc.com/2022/05/08/gig-work-in-egypt-a-source-of-income-amidst-suboptimal-working-conditions/>
<https://theArabweekly.com/egypt-digital-gig-economy-workers-face-rough-ride>

²⁴ <https://fair.work/en/fw/publications/fairwork-egypt-ratings-2021-towards-decent-work-in-a-highly-informal-economy/#continue>

²⁵ <https://fair.work/en/fw/blog/first-round-of-fairwork-ratings-in-egypt-towards-decent-work-in-a-highly-informal-economy/>

		through the platform.	
Typical client in Egypt	Individuals who seek a reliable and affordable mode of transportation within cities.	City dwellers looking for a convenient and easy way to order food online.	E-commerce buyers in cities.
Worker type	Typically paid per ride and work on part-time basis, although some drivers may choose to work full-time if demand is high.	Typically paid per delivery, and many work on a part-time basis.	Deliveries are carried out by part-time workers.

Swvl, founded in 2017, is an example of a local Egyptian platform startup. Originally based in Egypt, Swvl is currently headquartered in the United Arab Emirates, and operates in Egypt, Kenya, Jordan, the countries of the Gulf Cooperation Council (GCC), as well as in Europe and Latin America. Swvl offers users a private, technology-enabled mass transportation system, as well as other organisational transport solutions such as school and university transport, and business transport for company employees. Swvl has become the region’s first ‘unicorn’, listed on the Nasdaq in the summer of 2021 with a valuation of USD1.5 billion.²⁶

There are no precise estimates on the number of on-location platform workers. In 2021, it was estimated that there might be anywhere from 100,000 to 200,000 on-location platform workers, roughly 90% of whom were Uber drivers.²⁷ Furthermore, there are around 12,000 delivery riders only on the Talabat platform.²⁸

Attractiveness of on-location platform work

Based on interview data, several factors influence the popularity of on-location platform work, and these differ from the factors influencing the popularity of online work and online platform work. To begin with, delivery and ride-hailing activities do not require the same level of skills and education as online work and online platform work, which makes it more accessible by a wide range of young people, new graduates and unemployed individuals. In addition, on-location work offers other advantages, such as less competition and more flexibility. Moreover, many workers engage in this work as an additional source of income, particularly in the case of ride-sharing platforms. Some platforms even allow workers to define their preferred working hours. However, similarities between online work and online platform work do exist, and many workers may be discouraged from joining on-location platforms due to a lack of stability and job safety. Due to the hard economic situation, many platform workers switch between

²⁶ https://techcrunch.com/2021/07/28/egyptian-ride-sharing-company-swvl-plans-to-go-public-in-a-1-5b-spac-merger/?gucounter=1&guce_referrer=aHR0cHM6Ly9lbi53aWtpcGVkaWEub3JnLw&guce_referrer_sig=AQAAAFUe-aJRR1-DpY93YfTy0zUmduxAqBLHoUz5AHVllqNO54S0YrVb47yQ8JsFlw_GpT14Mn3Vc9kOYa_cPibsPKwJHDqVo6zGmATAWpX9u0rPFo_VnDCWKaGFX2Bulid1asHal_P3QsDH9I-KK1dO4jFQqvSc2n6DKJDINHiUztu

²⁷ <https://fair.work/en/fw/publications/fairwork-egypt-ratings-2021-towards-decent-work-in-a-highly-informal-economy/#continue>

²⁸ <https://www.france24.com/en/live-news/20220424-egypt-gig-economy-workers-face-rough-ride>

platforms in order to work extra hours and secure higher income. However, working longer hours often leads to fatigue, which takes its toll on workers' health.²⁹

Workers discover and access on-location platform work opportunities through various means. Some platforms use social media campaigns, in-person recruitment events and roadside billboards to reach their targeted segment of workers. Many workers also hear about opportunities through word-of-mouth recommendations from friends or family members who are already working on the platforms. The recruitment process is not always straightforward, with some platforms recruiting workers in a traditional way by posting the job advertisements and undertaking in-person interviews (e.g. Noon Egypt). Other on-location platforms recruit their workers via a digital channel on their websites or in apps, with applicants having to fill in an online application and upload the requested documents. Certain platforms, such as Uber,³⁰ oblige applicants to provide proof of insurance, which may be difficult for some workers to obtain.

On-location platform work occupations and worker profiles

According to interviews conducted for this study, on-location platform work is dominated by male workers, especially among ride-sharing and delivery work, but there is insufficient data to determine the precise ratio of male to female workers.

One of the requirements that workers must meet in order to join the on-location platforms is age, as the majority of platforms (e.g. Talabat³¹) do not accept workers younger than 18 years old. Some platforms, such as Uber, have even raised the minimum age to 21. However, insufficient data are available concerning the age range of on-location platform workers in Egypt.

In terms of education, a wide range of platform workers have limited formal qualifications. Some may have secondary or vocational education or lower; others, however, especially tutoring workers, may possess university and higher degrees. Some workers may be overqualified for the work they carry out on platforms, while others may be underqualified. There is no data on the exact level of education and qualifications held by these workers.

Working conditions

In general, on-location platform workers mostly work part-time and consider these jobs as a source of additional income. However, on-location platform work, particularly in industries such as ride-hailing and food delivery, may be the main source of revenue for some workers.

The majority of platform workers are not employed, but rather work as independent contractors, with either registering as self-employed or working informally. This means that the platforms are not responsible for providing employment benefits to workers, including healthcare and pension. Rather, this burden is in most cases transferred to the workers.³² Informality became a common feature of the on-location platform work in Egypt as a result of the unclear regulatory framework for this kind of work.

According to the Fairwork research from 2022,³³ out of the 10 platforms studied, only five (Breadfast, Filkhedma, Mrsool, Orcas and Uber) had clear and accessible terms and conditions that are available in Arabic and abide by local laws, as well as having a data protection policy available that complies with Egyptian law. This does not mean that workers have work contracts, but it rather refers to either service

²⁹ Fairwork (2023). *Fairwork Egypt ratings: platform workers amidst Egypt's economic crisis*. <https://fair.work/wp-content/uploads/sites/17/2023/03/Fairwork-Egypt-Report-2022-23.pdf>

³⁰ Uber. *Uber requirements for drivers in Egypt*. (n.d.). <https://www.uber.com/eg/en/drive/requirements/>

³¹ Talabat. *Become a rider*. <https://rider-eg.talabat.com/>

³² Moneim, D. (2022). Egypt's home delivery workers: Toward integration in the formal economy? Ahram Online. <https://english.ahram.org.eg/NewsContent/3/12/472245/Business/Economy/Egypt%E2%80%99s-home-delivery-workers-Toward-integration-i.aspx>

³³ <https://fair.work/en/fw/publications/fairwork-egypt-ratings-2022-23-platform-workers-amidst-egypts-economic-crisis/>

contracts or simply terms and conditions available on platforms. In general, labour laws in Egypt have not kept pace with the changing nature of work and the rise of the gig economy.

Due to lack of clear regulation and employment status of the workers, platforms often impose harsh working conditions on the workers. An investigation by Alharam national news³⁴ revealed that tens of thousands of home delivery couriers face hard working conditions and enjoy minimal social protection. Home delivery workers usually work 12-hour shifts without health insurance or pensions, and cannot rely on a stable income. They use their own motorcycles or means of transport for their delivery work, paying for fuel and repairs.

According to the Fairwork study,³⁵ working conditions on Egyptian on-location platforms vary: seven platforms (Breakfast, Filkhedma, Elmenus, Mrsool, Orcas, Talabat, and Uber) have taken action towards providing their workers with adequate health and safety protections; meanwhile, four platforms (Breakfast, Elmenus, Mrsool and Talabat) provide their couriers with safety gear, rest stops, medical insurance and an accident reimbursement system, ensuring compensation in the event of road accidents and recovery costs. One domestic services platform (Filkhedma) offers its workers detailed safety training, and also has a clear policy stating that female workers are allowed to reject tasks in single-male adult households. The platform Orcas ensures that workers are compensated for cancelled sessions, and provides a detailed training manual and kit. Uber provides a documented policy to protect workers from task-specific risks, including an accident insurance policy.

When it comes to pay, the Fairwork study³⁶ indicates that from 10 on-location platforms analysed, only eight of these (Orcas, Mrsool, Talabat, Breakfast, Uber, Filkhedma, Taskty, and Swvl) paid their workers at or slightly above the minimum wage in Egypt. In 2022 the minimum wage was EGP 2,400 (around EUR 70) per month for a six-day work week. Orcas is the only platform that pays its workers a living wage of EGP 5,045 (around EUR 150) per month.

³⁴ Moneim, D. (2022). Egypt's home delivery workers: Toward integration in the formal economy? *Ahram Online*. <https://english.ahram.org.eg/NewsContent/3/12/472245/Business/Economy/Egypt%E2%80%99s-home-delivery-workers-Toward-integration-i.aspx>

³⁵ <https://fair.work/en/fw/publications/fairwork-egypt-ratings-2022-23-platform-workers-amidst-egypts-economic-crisis/>

³⁶ <https://fair.work/en/fw/publications/fairwork-egypt-ratings-2022-23-platform-workers-amidst-egypts-economic-crisis/>

Current regulation, policies and strategic approaches

The new forms of employment have occupied notable space in public policy discussions across various ministries including Ministry of Communications and Information Technology (MCIT), the Ministry of Planning and Economic Development, as well as the Ministry of Workforce and various affiliated institutions. Such discussions aim to accommodate these new forms of work by capturing the challenges and establishing strategies that work to provide the necessary solutions, such as capacity building initiatives (discussed below in the text). These new forms of work have been treated as both an opportunity and threat. While they provide new job opportunities, reduce unemployment rates and foster the growth of the Egyptian economy, they also contribute to an increase in the informal sector in Egypt and violations of workers' rights.

Labour market, employment and skills development

Egypt has taken various steps and measures towards laying down legislative frameworks and capacity building programmes that could potentially regulate online and platform work in Egypt. The Egyptian government is considering updating current labour laws to accommodate the various forms of online work and ensure fair work conditions. The government also has taken actions toward legalising the informal sector in Egypt, including platform work. A new Social Insurance Law (No.148) was launched in 2019, which obliges employers (including informal employers) to open a social insurance file for their company. Although this law covers several categories of informal work, it does not focus on platform workers and their specific situation. For this reason, many employers may still not provide social insurance and fair working conditions for online workers. No concrete results of this law are as yet identifiable.

In relation to on-location platform work, the Ministry of Social Solidarity launched its 'Your Road is Safe' initiative in 2022. This targets delivery workers a part of the government's bid to expand the social safety net among irregular workers. The programme aims to provide delivery workers with social insurance, and health insurance. Regarding social insurance, workers can choose the duration of their subscription, its value, and whether they will pay monthly, quarterly or annually. They can also choose their retirement age, which can be 55, 60 or 65. The insurance is not limited to pensions but also covers injury and death. The programme also provides loans for those who plan to start their own businesses. The amount of loan available (at an interest rate of between 5% and 9%) to fund micro and small businesses by delivery workers amounts to EGP 2.8 billion and is estimated to finance 360,000 enterprises. In addition, the government intends to distribute bikes, motorcycles and helmets to the workers and organise lectures on safe riding, occupational safety and risk prevention.³⁷

As the issue of skills gaps and mismatches is problematic in the overall Egyptian economy (and relevant to online freelancing), According to the government official, the government is working on updating skills of the Egyptian workforce to keep pace with rapid changes in the requirements of the labour market.³⁸

The Ministry of Education³⁹ has been working on a TVET Education 2.0 strategy since 2018 to shift from content-based to skills-based education, prioritising the technical and soft skills demanded by the labour market, with a focus on cross-cutting skills such as languages, entrepreneurship, problem-solving, and communication skills. These are to be merged into the main TVET technical curriculum, rather than creating separate technical units.

As part of the Digital Egypt plan, MCIT has also taken into consideration the provision of training and capacity building for all segments of society, including school and university students, graduates,

³⁷ Ministry of Social Solidarity, 2022.

³⁸ National Forum on the Future of Work in Egypt. (n.d.). <https://egyptfow.com/materials.html>

³⁹ National Forum on the Future of Work in Egypt. (n.d.). <https://egyptfow.com/materials.html>

professionals, women, and persons with disabilities. An integrated strategy has been developed to build a base of digital competences. The training plan is implemented in cooperation with major technology companies and global universities to build digital competences in all fields at various levels, and to integrate traditional and remote digital learning models. The ultimate goal of the plan is to award a specialised practical master's degree to one thousand learners every year through the Digital Egypt Builders Initiative (DEBI), which is implemented in cooperation with major technology companies and international universities.⁴⁰

Digitalisation

The Egyptian government has been working for several years on facilitating the development of a knowledge-based society and a strong digital economy. The ICT 2030 strategy⁴¹ contributes to the achievement of the objectives of Egypt's Vision 2030.⁴² Through building Digital Egypt,⁴³ it promotes the development of ICT infrastructure and fosters digital inclusion, achieving a transition to a knowledge-based economy, building capacities, encouraging innovation, ensuring cybersecurity, and promoting Egypt's position at regional and international levels. The Digital Egypt strategy is working on the foundations for the transformation of Egypt into a digital society, and is built upon three main pillars – digital transformation, digital skills and jobs. These pillars are built upon on three extremely important bases: digital innovation, digital infrastructure and the legislative framework.⁴⁴

ICT is identified as one of three promising sectors in the National Structural Reform Programme (NSRP), which identifies three strategic goals in relation to ICT: Increasing the contribution made by the ICT sector to GDP, and accelerating digital transformation.; boosting ICT exports in business process outsourcing, knowledge process outsourcing and IT consultancy services; and improving the sector's capacity with regard to job creation, promoting necessary skills for the future of work, and supporting emerging firms through:

Although the Egyptian government has developed policies and strategies to promote digital transformation, such as ICT 2030 strategy and the Digital Egypt, no specific policies focus on online work. Recently, policy debates (e.g. the general conclusions of the National Forum on the Future of Work in Egypt) have become more focused on the legal barriers that might impede the progress of digital employment in Egypt.

To address the digital skill gap, the government has initiated various upskilling initiatives. The examples include the Future Work is Digital (FWD) scholarship initiative,⁴⁵ led by the MCIT, the Information Technology Industry Development Agency (ITIDA),⁴⁶ and Udacity.⁴⁷

⁴⁰ Ministry of Communications and Information Technology. MCIT achievements 2022.

https://mcit.gov.eg/en/Media_Center/Press_Room/Press_Releases/66732

⁴¹ Ministry of Communications and Information Technology. ICT strategy. https://mcit.gov.eg/en/ICT_Strategy

⁴² <https://andp.unescwa.org/sites/default/files/2020-09/Sustainable%20Development%20Strategy%20%28SDS%29%20-%20Egypt%20Vision%202030.pdf>

⁴³ Ministry of Communications and Information Technology. Digital Egypt. https://mcit.gov.eg/en/Digital_Egypt

⁴⁴ https://mcit.gov.eg/en/ICT_Strategy

⁴⁵ <https://egfwd.com/about-us/>

⁴⁶ <https://itida.gov.eg/English/Pages/default.aspx>

⁴⁷ <https://www.udacity.com/us>

Policy implications

Challenges and opportunities of the current situation

Online and on-location platform work are characterised by several important opportunities, as well as accompanying challenges.

The main opportunities related to these new forms of work in Egypt identified in this research are:

- Development of digital and domain-specific skills in the workforce through online work on the international markets
- Creation of well-paid jobs for the youth and women
- Countering of brain-drain through securing sufficient well-paid online jobs in the country

The main challenges are:

- Lack of clear employment status of both online and on-location workers
- Lack of social protections and security associated with regular employment
- High degree of informality and tax avoidance
- Insufficient access to online work for the marginalised social groups
- Lack of skill development opportunities for online work

Gaps in the existing strategic and policy approaches

The existing strategic and policy approaches in Egypt face significant gaps. Primarily, due to lack of regulation, platform workers are often categorised as self-employed or independent contractors, resulting in a lack of social benefits and organised legal structures for this segment of workers.⁴⁸ Moreover, the prevalence of informality in on-location and online platform work further highlights the need for regulatory reforms and legal frameworks to ensure adequate protection and benefits for all workers, regardless of their employment status.

Another critical gap lies in the poor availability of research and data on the national labour market in Egypt, but also the main trends related to the new forms of work in the country. This data is necessary for devising broader strategies and policies for regulating these forms of work.

Implications/possible measures for regulation

To address the challenges and seize the opportunities presented by online and on-location platform work, policies should focus on:

- Improving the quality of internet infrastructure and increasing internet coverage and speed, which are crucial for development of the new forms of work.
- Increasing access to international payment systems, which crucially affect online and platform workers.
- Developing a clear regulatory framework that regulates the employment status of workers, and ensures their social protections and clear contractual relationships.
- Promoting new forms of work among women and equipping them with adequate skills needed for these jobs, enabling them to participate actively in the labour market.

⁴⁸ Fairwork (2023). Fairwork Egypt ratings: platform workers amidst Egypt 's economic crisis. <https://fair.work/wp-content/uploads/sites/17/2023/03/Fairwork-Egypt-Report-2022-23.pdf>

- Online and on-location platform work could potentially help alleviate issues associated with large migratory flows from Egypt. By promoting and investing in the development of the digital economy and online freelancing, Egypt can retain its skilled workforce and prevent brain drain.
- Large diasporic networks can be an asset in the development of the platform economy. Egyptians living abroad can facilitate online work in their home country by acting as employers hiring Egyptian freelancers, but also as investors in the country's platform businesses.
- Online and platform work have huge potential that the government could use to combat youth unemployment and address the needs of NEETs. To encourage online freelancing, special efforts should be made to provide opportunities to gain experience and develop skills prior to entering online markets.
- Improving labour market information for better job matching, raising awareness among employers, ensuring policy coherence, promoting inclusivity, and fostering public-private partnerships.
- Regular research and data collection is needed to provide valuable insights in order to monitor the impact of interventions and create an enabling environment for responsible and sustainable platform work, benefiting both workers and the digital economy.
- Investing in comprehensive and targeted capacity-building programmes for technical and soft skills, promoting a culture of continuous learning and lifelong skills development, and fostering collaboration with the private sector in order to identify skill gaps.
- Promoting digital literacy through investments in education and training programmes, as well as improving access to digital technologies and infrastructure, especially for marginalised communities.
- Fostering public-private partnerships to align educational curricula with the demands of the labour market, and developing industry-specific certifications for digital skills. By implementing such measures, the government can nurture a skilled and adaptable workforce that can leverage the opportunities offered by online and on-location platform work.

Summary

In recent years, the Egyptian economy has experienced steady growth, with a notable increase in its GDP growth rate. However, challenges remain due to global shocks, inflation and currency devaluation, creating uncertainty with regard to Egypt's economic outlook. The country also faces significant labour market challenges, including high unemployment, particularly among the youth, and the prevalence of informal employment, as well as migration. Despite these obstacles, the ICT sector and digitalisation have seen remarkable growth, contributing to the country's digital transformation and providing new forms of work such as online freelancing and platform work, as well as creating new opportunities for skilled workers.

Online work on and off digital platforms in Egypt is becoming increasingly prevalent, with a significant increase in the volume of tasks completed by Egyptian freelancers on major online global platforms. The majority of active platform workers are engaged in creative and multimedia work, followed by software development and technology. Men dominate the online platform workforce, comprising almost 80% of active workers. Furthermore, hourly rates for online platform work are higher than the local average wage, attracting more workers to explore this new form of work. However, there are several challenges and barriers to entry into the online work sector. These include a lack of legal recognition as employees, which leaves online platform workers without social and medical insurance. In addition, outdated labour regulations do not account for the gig economy, leading to informality within the sector. Despite these challenges, online work offers multiple opportunities such as job accessibility and global exposure, as well as flexibility over time and location. It also encourages the continuous upgrading of workers' skills in order to remain competitive in the market.

On-location work, like online work, also proliferated in the past several years. Ride-hailing and food delivery platforms such as Uber and Talabat are among the most popular in the country. The worker profiles in on-location platform work vary, with workers coming from diverse educational backgrounds. Working conditions for on-location platform workers differ depending on the platform. While some platforms provide safety gear, medical insurance and accident reimbursement systems, others may not offer such protections. Many workers in the delivery sector work long hours without health insurance or pensions. The legal status of on-location platform workers is often classified as informal, and they may not receive the same legal protections and benefits as traditional employees. The regulatory framework for on-location platform work in Egypt remains unclear, leading to informality and limited recourse for workers in the event of labour rights violations. As a result, the lack of stability and job safety may deter some workers from joining.

The new forms of employment discussed above have garnered significant attention in public policy discussions across both the private and public sectors in Egypt. The Digital Egypt plan, launched in 2019, aims to transform Egypt into a digital society, fostering the digital economy and providing opportunities for youth employment. The government has taken steps to reform the legislative environment for the digital society, but these legal actions still lack specific provisions relating to platform workers. Meanwhile, the COVID-19 pandemic has accelerated digitalisation efforts, emphasising the importance of labour market policies aimed at worker resilience and social protection. Challenges relating to work conditions and legalisation require further attention and policy intervention in order to harness the potential of these new forms of employment.

Lastly, the key policy implications of online and platform work in Egypt centred around addressing the related challenges and seizing the opportunities in this rapidly changing economic context. To promote fair working conditions, wages and social protections for digital workers, policies should develop a clear regulatory framework that recognises the unique nature of online and platform employment and ensures rights and benefits for workers. Bridging the skills gap is crucial, and requires investments in the development of technical and soft skills, access to digital technologies, and educational opportunities that align with the changing demands of employers. There are gaps in existing strategic and policy approaches, including a lack of focus on labour relations in the legislative environment and the poor availability of information on the labour market. To address these gaps, regulatory reforms and better

labour market information are needed. In addition, fostering public-private partnerships, promoting inclusivity and raising awareness among employers are essential steps to ensure responsible and sustainable platform work. Overall, policies should focus on creating an enabling environment that supports the growth of the digital economy and nurtures a skilled workforce able to seize the opportunities presented by online and platform work in Egypt.

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List of interviewees

Name	Organisation	Title	Date of interview
Nermine Elnemr	Elharefa Online Freelance Platform	Founder	April 2023
Raneem Medhat	Udacity	Africa Senior Regional Manager	April 2023
Norhan Muhab Sabboula	Udacity	FWD Programme Manager	April 2023
Radwa Samy	Freelance	Senior economic researcher	April 2023
Nada Tarek	Upwork	Online freelancer	April 2023