



European Training Foundation

# EGYPT

**EDUCATION, TRAINING AND EMPLOYMENT  
DEVELOPMENTS 2019**



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# KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT (SEPTEMBER 2018–AUGUST 2019)

In March 2018 President Al Sisi won a second four-year term in office. A deliberate government spending policy intends to boost growth through mega-projects including construction of a new administrative capital city, expansion of the Suez Canal, and road extensions. Such a stimulus approach has the potential to boost economic growth and create jobs, but the continued population increase in Egypt has so far out-paced the rate of job creation. To curb this, Egypt will require urgent measures to generate sufficient numbers of jobs to absorb the vast majority of the working-age population into the labour market and to avoid possible social tensions.

The Ministry of Manpower and Migration (MoMM) has drafted a new Labour Law, which is pending discussion in parliament. With this new law, the Supreme Council for Human Resources Development is expected to be replaced by a new Council for Human Resources Development and Skills chaired by the prime minister.

Education is a priority in the Egypt Vision 2030, and President Al Sisi has declared 2019 'The Year of Education'. In line with this, vocational education and training (VET) has gained importance and is under political pressure. However, the VET sector remains highly fragmented and previous attempts to establish over-arching governing models have failed. To address the problem, in 2019 prominent task forces were established to follow up on a presidential request to set up a dedicated authority for quality assurance for VET (ETQAAN) and to establish the Technical and Vocational Teachers' Academy (TVETA). In this regard, several concepts and legal acts have been developed during 2019 and are awaiting cabinet approval.

The Ministry of Education and Technical Education (MoETE), as the main VET provider in the country, is working on the implementation of a new strategy, 'Technical Education 2.0'. With the support of the ETF, it is currently consulting with different international support projects (including those supported by the EU, Germany and the USA) on possible cooperation, with the aim of ensuring complementarity and joint implementation. Ideally, this coordination mechanism should be formalised within the framework of the revised comprehensive governance model for the entire VET sector.

TVET Egypt, a programme supported by the EU, is entering the second half of its project cycle. The programme has achieved progress in some components, such as curriculum development, though many deliverables, such as a labour market information system (LMIS), are still pending. Within the context of a changing policy environment, the TVET Egypt programme is currently revising its actions to provide relevant support to the implementation of new strategies in close coordination with the relevant ministries, other support programmes and the donor community.

# 1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Egypt is the most populous Arab country and has a rapidly growing population. Its population grew from 83.7 million in 2013 to 96.3 million in 2018, and is estimated to increase to 151 million by 2050<sup>1</sup>. Although the annual population growth rate has dropped significantly, it has maintained a fairly stable pace at around 2% annually. The share of young people aged 15–24 has been decreasing slightly, though it remains high (27.3% in 2017). This youth population presents sizeable challenges in terms of delivering education, creating job opportunities, curbing unemployment and improving living standards, and could even pose a threat to Egypt's social stability; it also presents an enormous opportunity in terms of advancing the development of the economy and the well-being of the population. However, economic progress depends on the ability of a country to turn the higher inflow 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. As a result, remittances make up 10.2% of the country's gross domestic product (GDP)<sup>2</sup>. At the same time, Egypt has become a destination for thousands of Arab and African immigrants and a major host for hundreds of thousands of Palestinians, 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 Europe<sup>3</sup>.

Egypt is classified as a lower middle-income country. Despite the unstable regional and internal political and economic situation, its GDP has been on a steady growth path from 2013 (2.2%) to 2018 (5.3%). In 2018 inflation decreased from its peak above 20% in 2017, but still exceeds 12% and might face further upward pressure as energy subsidies continue to be phased out<sup>4</sup>. 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 51.4% in 2018, while the share of industry has declined from 39.9% in 2013 to 35.1% in 2018, and agriculture remains at 11.2%.

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 Bank<sup>5</sup>. To address this problem, several initiatives have been launched in the country. For example, in April 2017 the Central Bank of Egypt launched an initiative that aims to bring a large number of individuals and

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

<sup>2</sup> <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>

<sup>3</sup> <https://www.migrationpolicy.org/article/egypt-migration-and-diaspora-politics-emerging-transit-country>

<sup>4</sup> World Bank, *Egypt's Economic Outlook*, April 2019.

<sup>5</sup> African Development Bank, *Addressing informality in Egypt*, Working Paper, 2016.

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 optimism for economic development. According to World Bank estimates, GDP will grow by 5.5% in 2019 and by 5.9% in 2020, largely driven by an expansion in the gas extractives, tourism, manufacturing, construction and information and communications technology (ICT) sectors, while private investment is picking up and net exports are improving<sup>6</sup>.

The construction sector benefits from a deliberate government spending policy to boost growth through mega-projects including the construction of a new administrative capital city, expansion of the Suez Canal, and road extensions. Such a stimulus approach has the potential to boost economic growth and create jobs, but also comes with a risk of increased budget deficits<sup>7</sup>.

Attention is also focused on improving the business climate. An Industrial Licensing Law and a New Investment Law have been passed, and a New Insolvency Law is being discussed in parliament. These are critical pieces of legislation for enhancing the business environment, as the current negative conditions for new businesses reduce entrepreneurial initiatives and job creation. Egypt is 120th in the 2018 World Bank's Doing Business ranking, up from 128th position in 2017<sup>8</sup>. The country ranked 94th out of 140 economies in the World Economic Forum's Global Competitiveness Index in 2018, similar to 2017<sup>9</sup>. In 2018 Egypt was 105th out of 180 countries in Transparency International's Corruption Perceptions Index (up from 117th in 2017)<sup>10</sup>.

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 increased, the mitigation measures remain limited, as the erosion of real incomes continues to be a concern<sup>11</sup>. While inequality measured by the Gini index<sup>12</sup> was moderately low (31.8%) in 2015, real income has been eroded by inflation. The national poverty estimates, calculated using a new poverty line set each survey year, show a worsening trend. The share of those in poverty rose from 25.2% in 2010 to 32.5% in 2017/18<sup>13</sup>. In 2018 Egypt ranked 115th out of 189 countries on the human development index of the United Nations Development Programme (UNDP)<sup>14</sup>, thus falling into the medium human development category.

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<sup>6</sup> World Bank, *Egypt's Economic Outlook*, April 2019.

<sup>7</sup> <https://oxfordbusinessgroup.com/overview/social-constructs-state-focusing-sector-key-driver-economic-growth-various-projects-planning-or>

<sup>8</sup> <https://www.doingbusiness.org/content/dam/doingBusiness/country/e/egypt/EGY.pdf>

<sup>9</sup> World Economic Forum, *The Global Competitiveness Report 2018*.

<sup>10</sup> <https://www.transparency.org/country/EGY>

<sup>11</sup> World Bank, *Egypt's Economic Outlook*, April 2019.

<sup>12</sup> <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html?>

<sup>13</sup> 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](https://databank.worldbank.org/data/download/poverty/33EF03BB-9722-4AE2-ABC7-AA2972D68AFE/Global_POVEQ_EGY.pdf)

<sup>14</sup> <http://hdr.undp.org/en/2018-update>

## 2. EDUCATION AND TRAINING

### 2.1 Trends and challenges

Egypt has the largest overall education system in the MENA region, with 25 million students in pre-tertiary education, and this number is growing as a result of strong demographic pressure. The country's educational infrastructure is facing difficulties in 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 system<sup>15</sup>.

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 will allocate at least 4% of GDP to school education, in addition to 2% of GDP to university education, with these percentages to be increased annually to reach global public spending levels<sup>16</sup>. According to the available data, 11.4% of total public expenditure in 2015 was spent on education, a significant decrease from 15.6% in 2013.

Egypt has a relatively low-skilled labour force: in 2017, 41.3% of the active adult population had attained only a low level of education (down from 43.9% in 2013), 39.4% a medium level of education (up from 37.5% in 2013) and only 19.2% a high level of education (up from 18.7% in 2013). However, continuing government efforts to improve access to education are bearing fruit. Egypt is trending positively on certain key educational indicators, according to the latest data from the United Nations Educational, Scientific and Cultural Organization (UNESCO). In 2018, the net enrolment rate in primary education reached 98.0% and gross enrolment in upper secondary education increased to 76.2%, up 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 ratio in tertiary education for 2018)<sup>17</sup>.

As in many MENA countries, the appeal of vocational education in Egypt is decreasing, mainly owing to public assumptions about the importance of a university degree and the growing interest in general education as a path to higher education, which provides guaranteed entry into the civil service. The number of students in VET (ISCED 3 and 4) has remained stable in recent years, but the share of VET students has been decreasing in upper secondary education (ISCED 3), down from 48.8% in 2013 to 46.5% in 2017. It must be emphasised that the relatively high percentage of enrolment in VET is the result of the student evaluation system, where 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.

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<sup>15</sup> <http://uis.unesco.org/country/EG>

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[https://sustainabledevelopment.un.org/content/documents/20269EGY\\_VNR\\_2018\\_final\\_with\\_Hyperlink\\_9720185b45d.pdf](https://sustainabledevelopment.un.org/content/documents/20269EGY_VNR_2018_final_with_Hyperlink_9720185b45d.pdf)

<sup>17</sup> <http://uis.unesco.org/country/EG>

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 is weak. The system is not delivering the necessary learning outcomes, skills and competences 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 to the international average of 84% (the figures for grade 8 science were 42% and 84%, respectively). As a coping strategy, many parents rely on private tutoring, with the majority of students paying for such tutoring in addition to regular schooling. The perennial custom of private tutoring is an ongoing challenge to the education system, with lasting negative effects on both teaching and learning<sup>18</sup>.

## 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 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 under 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 unified and agreed vision on VET development. In 2014 the Executive Council for VET was established under the leadership of the MoETE. The council formally works under the 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 MoMM), has led to a system of institutional power games that has paralysed TVET reform for too long<sup>19</sup>. To overcome this stalemate, in 2019 the president issued a request to set up a dedicated authority for quality assurance for VET (ETQAAN) and to establish TVETA. Prominent task forces were established to finalise the concept papers for the mandate, functions and governance of these institutions.

In addition, as the main VET provider in the country, the MoETE is working on the planning and implementation of a new strategy, Technical Education 2.0 (TE2.0) (February 2019), containing five pillars. The strategy aims to increase the attractiveness and relevance of VET, ensure quality assurance, review the governance model, and establish new models of public–private partnerships.

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<sup>18</sup> OECD, *Schools for Skills – A New Learning Agenda for Egypt*, 2015.

<sup>19</sup> OECD, *Schools for Skills – A New Learning Agenda for Egypt*, 2015.



In addition to the reforms within compulsory education, the government is also seeking to modernise the higher education sector. In 2018 a Law for the Establishment of New Technological Universities was approved and an initial number of eight universities are being established. These universities, which will be publicly owned, will offer two- and four-year programmes across a range of specialities, including agriculture, industry, technology and commerce. The courses will be available to students with general secondary school certificates, as well as those who have attended a technical school. It is envisaged that the model will build further on the model 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 reform trend leading to 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 level. In this regard, the incentives created through the establishment of the National Investment Charity Fund for Education (May 2019) under the new Capital Market Authority Law might be pivotal for diversifying VET funding through new public–private partnership models.

Although the establishment of the new quality assurance entity for VET (ETQAAN) is awaiting cabinet and parliamentary approval, it is envisaged that this new entity will review VET qualifications and accredit institutions. As such, 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 should work out coordination mechanisms. 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, 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 with the ETQAAN debate.

An important priority in the 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 at least 10% by 2019. The MoETE is developing public–private partnership models to engage industry in training through the Applied Technology Schools initiative. 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), the training department under the Ministry of Trade and Industry, is expanding the concept of ‘Training Stations’ within companies. The private sector is also engaging in other training modalities. For example, the joint occupational training centre of Siemens and the Egyptian government in Ain Sokhna is expected to provide training to more than 5 000 young Egyptians in the upcoming years and to prepare a cohort of skilled technicians to ensure the maintenance and repair of power plants, wind farms, etc.

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 to work on a concept for revitalising 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 VET provision function of the former ETPs and focus on linking VET supply and demand, ensure the quality and relevance of qualifications, and participate in the assessment process.

The EU remains a strong supporter of the Egyptian education sector as a whole, with particular emphasis on increasing the access to and quality of education, 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 programme<sup>20</sup> (2013–2023) (EUR 50 million EU support, and co-funded by the Egyptian government with EUR 67 million)<sup>21</sup>. The programme aims to improve the structure and 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 policymakers and experts as a high priority because of its potential role as a contributor to the reduction of unemployment, the promotion of social equity and the enhancement of the country's global competitiveness. The programme has achieved progress in some components, such as curriculum development, though many deliverables, such as an LMIS, are still pending.

Given the political pressure around the VET reforms, the leadership of the MoETE is facilitating the coordination of the various international projects (including projects with support from the EU, Germany and the USA) with the aim of ensuring complementarity and joint implementation. Ideally, this coordination mechanism should be formalised within the framework of the revised comprehensive governance model for the entire VET sector.

## 3. LABOUR MARKET AND EMPLOYMENT

### 3.1 Trends and challenges

The labour market situation has worsened since the revolution in 2011. The current economic crisis is affecting employment opportunities at all levels and the trends are not positive. The number of new jobs in the private sector has declined, particularly in tourism. Owing to the fiscal adjustment, employment in the public sector is not increasing either. The activity rate (aged 15+) decreased to 45.0% in 2017 (from 48.4% in 2013), driven mainly by a fall in the activity rate of men (from 73.3% in 2013 to 66.9% in 2017). The employment rate decreased from 42.1% in 2013 to 39.7% in 2017, mainly as a result of a decrease in the male employment rate from 66.2% to 61.4% over the same period. Female participation remains very low: it is more than three times lower than the male participation rate, with only 22% of working-age women economically active. Women face substantial barriers in finding work, but also in remaining employed, especially after marriage; this affects the female employment rate, which remains around 17%. The majority of women entering the labour market are medium skilled and highly skilled.

Services dominate the employment structure, with a 48.3% share in 2017. The share of agriculture is declining, from 28.0% in 2013 to 25.0% in 2017, while industry employed 26.5% of the workforce in

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<sup>20</sup> Previously referred to as the TVET II programme.

<sup>21</sup> The ETF has been supporting TVET reform by providing content and methodological advice to the Programme Implementation Unit of the programme, in particular by supporting the governance component of the programme as well as the development of the competence-based curriculum.

2017, compared with 24.1% in 2013. Although employment is slowly decreasing in agriculture in favour of the service sector, the overall structure of the economy has remained similar over the years.

The continued population growth in Egypt has out-paced the rate of job creation. To curb this, Egypt will require urgent measures to generate sufficient numbers of jobs to absorb the vast majority of the working-age population into the labour market<sup>22</sup>. Most of the recent new jobs have been created by 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 microenterprises, often limited to low-value-added activities<sup>23</sup>. The informal economy currently absorbs 48–70% of employment, according to estimates by the African Development Bank<sup>24</sup>.

The total unemployment rate has decreased (from 13.2% in 2013 to 11.7% in 2017), as have the rates for both men and women. The female unemployment rate has remained particularly high, at 23% in 2017, 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. Furthermore, labour market conditions, in particular working conditions, are affecting women's decisions, with job security remaining a significant factor in 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, with a higher unemployment rate (aged 15+) for those with high educational attainment levels (20.8% in 2017) than for those with medium educational attainment levels (15.6% in 2017).

With the overall weakened performance of the labour market, the youth transition from school to work has become more difficult. Despite a slight improvement, youth unemployment is very high (29.6% in 2017, down from 34.1% in 2013) and particularly affects young women (38.3% in 2017). This shows a weak link between educational outputs and labour market needs, resulting in inadequate curricula that seem unaligned to the competences required by employers, as well as a mismatch between them in terms of quality and expectations. Almost half of working youths (47.7%) are in occupations that do not match their education, that is, they are over-educated or under-educated<sup>25</sup>. Over-education can be found predominantly among the elementary occupations, followed by clerks, and skilled agricultural and fishery workers<sup>26</sup>. At the same time, employers report difficulties finding skilled labour, and skills gaps increased to 19% in 2016, according to the World Bank Enterprise Survey<sup>27</sup>.

The proportion of young people (aged 15–24) not in employment, education or training (NEETs) is very high (26.9% in 2017). There has been a slight improvement on the figure for 2013 (28.4%), largely thanks to a substantial decrease in the female NEET rate, from 41.1% in 2013 to 35.0% in 2017, suggesting a higher rate of educational retention. According to a World Bank survey, the three main risk factors associated with an increased probability of being NEET are having a low level of

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<sup>22</sup> ILO, *In Pursuit of Equality and Prosperity in Egypt*, 2018.

<sup>23</sup> [http://www.miic.gov.eg/English/Resources/Publications/NonPeriodical/DOCUMENTS/WCMS\\_618591.PDF](http://www.miic.gov.eg/English/Resources/Publications/NonPeriodical/DOCUMENTS/WCMS_618591.PDF)

<sup>24</sup> African Development Bank, *Addressing informality in Egypt*, Working Paper, 2016; Mirna Khaled Abdulaal, *Egyptian Streets, Growth and transition: the informal sector and the knowledge economy*, 3 April 2017.

<sup>25</sup> [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](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)

<sup>26</sup> ETF, *Skills mismatch measurement in the ETF partner countries*, 2019.

<sup>27</sup> <http://microdata.worldbank.org/index.php/catalog/2896/study-description>

education; living in a remote area; and gender<sup>28</sup>. Two out of three young women in rural Egypt (69.7%) and more than half of young women in urban areas (60.4%) are NEETs. In contrast, only one in eight young men in urban areas (13.2%) and a tenth of young men in rural Egypt (10.5%) are NEETs. This shows the need for further restructuring of the Egyptian labour market in terms of quality job creation and improving its efficiency.

### 3.2 Employment policy and institutional setting

The MoMM is responsible for labour policy, managing labour supply and demand, increasing the employability of the labour force, and monitoring labour market demand. It administers the network of 300 employment offices. However, most of the employment offices are under-developed, under-staffed and under-resourced; they provide a very limited range of employment services, merely issuing work permits and registrations<sup>29</sup>. The MoMM has drafted a new Labour Law, which is pending discussion in parliament. With the new law, the Supreme Council for Human Resources Development is expected to 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 gathering is mainly done through administrative sources (employment offices) and the labour force surveys of the Central Agency for Public Mobilisation and Statistics (CAPMAS). Mechanisms to identify the needs of the labour market and develop relevant qualifications exist in a variety of forms, for example the National Skills Standards Programme within the Industrial Training Council. However, 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, although a decision on the institutional home of the LMIS has not yet been reached. In addition, the International Labour Organization (ILO) and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit, the German development agency) 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 graduates' employability, and this is currently in a 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, there are numerous ongoing and emerging initiatives for active labour market policies that are implemented by various stakeholders and in many cases supported by donors. The government is planning to develop specialised training programmes for young people and introduce job intermediation schemes.

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

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<sup>28</sup> The Survey of Young People of Egypt conducted in 2014 provides a nationally representative sample of 10 916 young people.

<sup>29</sup> Amer, M., 'Active labour market policies: Mapping of existing initiatives in Egypt', Paper presented in Cairo, October 2012.

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. The curriculum was approved by the Supreme Council for pre-university education. It is expected to be rolled out in all technical secondary schools.

# EGYPT: STATISTICAL ANNEX

Annex includes annual data from 2013, 2017 and 2018 or the last available year.

	Indicator	2013	2017	2018	
1	Total Population (,000) <sup>(1)</sup>	83,667	94,799 <sup>(2)</sup>	96,279	
2	Relative size of youth population (age group 15-24, %) <sup>(1) (3)</sup>	29.6	27.3	M.D.	
3	GDP growth rate (%)	2.2	4.2	5.3	
4	GDP by sector (%)	Agriculture added value	11.3	11.5	11.2
		Industry added value	39.9	33.8	35.1
		Services added value	52.3	53.0	51.4
5	Public expenditure on education (as % of GDP)	M.D.	M.D.	M.D.	
6	Public expenditure on education (as % of total public expenditure)	15.6	11.4 (2015)	M.D.	
7	Adult literacy (%)	75.1	71.2	M.D.	
8	Educational attainment of adult population (aged 25-64 or 15+) (%)	Low <sup>(5)</sup>	43.9	41.3	M.D.
		Medium <sup>(6)</sup>	37.5	39.4	M.D.
		High <sup>(7)</sup>	18.7	19.2	M.D.
9	Early leavers from education and training (aged 18-24) (%)	Total	27.8 <sup>(4)</sup> (2012)	M.D.	M.D.
		Male	25.9 <sup>(4)</sup> (2012)	M.D.	M.D.
		Female	29.7 <sup>(4)</sup> (2012)	M.D.	M.D.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	69.5	76.2	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	48.8	46.5	M.D.	
12	Tertiary education attainment (aged 30-34) (%) <sup>(4)</sup>	20.4 (2012)	M.D.	M.D.	
13	Participation in training/lifelong learning (aged 25-64) (%)	Total	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	N.A.	N.A.
		Mathematics	N.A.	N.A.	N.A.
		Science	N.A.	N.A.	N.A.

	Indicator		2013	2017	2018
15	Activity rate (aged 15+) (%)	Total	48.4	45.0	M.D.
		Male	73.3	66.9	M.D.
		Female	22.9	22.0	M.D.
16	Inactivity rate (aged 15+) (%)	Total	51.6	55.0	M.D.
		Male	26.7	33.1	M.D.
		Female	77.1	78.0	M.D.
17	Employment rate (aged 15+) (%)	Total	42.1	39.7	M.D.
		Male	66.2	61.4	M.D.
		Female	17.4	16.9	M.D.
18	Employment rate by educational attainment (% aged 15+)	Low	N.A.	N.A.	N.A.
		Medium	N.A.	N.A.	N.A.
		High	N.A.	N.A.	N.A.
19	Employment by sector (%)	Agriculture	28.0	25.0	M.D.
		Industry	24.1	26.5	M.D.
		Services	47.9	48.3	M.D.
20	Incidence of self-employment (%)		38.9	32.1	M.D.
21	Incidence of vulnerable employment (%)		26.4	21.7	M.D.
22	Unemployment rate (aged 15+) (%)	Total	13.2	11.7	M.D.
		Male	9.8	8.2	M.D.
		Female	24.2	23.0	M.D.
23	Unemployment rate by educational attainment (aged 15+) (%)	Less than Basic <sup>(8)</sup>	5.4	2.4	M.D.
		Basic <sup>(9)</sup>	9.9	6.8	M.D.
		Medium <sup>(6)</sup>	16.5	15.6	M.D.
		High <sup>(7)</sup>	22.0	20.8	M.D.
24	Long-term unemployment rate (aged 15+) (%)		11.6	9.2	M.D.
25	Youth unemployment rate (aged 15-24) (%)	Total	34.1	29.6	M.D.
		Male	28.6	25.7	M.D.
		Female	52.0	38.3	M.D.
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	Total	28.4	26.9	M.D.
		Male	17.9	19.6	M.D.
		Female	41.1	35.0	M.D.

Last update: 27/08/2019

**Sources:**

Indicator 1 - CAPMAS

Indicator 2 – United Nations Development Programme, 2017 revision. For 2016 Medium variant estimates

Indicator 6 – EUROSTAT

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

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

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

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

**Notes:**

- (1) Estimations
- (2) Results of the Census 2017
- (3) Denominator population 15-64
- (4) Based on ETF calculations
- (5) LOW: refers to level of ISCED 0-2 + No schooling
- (6) MEDIUM: refers to level of ISCED 3-4
- (7) HIGH: refers to level of ISCED 5 and beyond.
- (8) Less than Basic: refers to level of ISCED 0+ No schooling
- (9) Basic: refers to level of ISCED 1-2

**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 (74)/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 population aged 15 years and over who can both read and write with understanding a short simple statement on his/her everyday life. 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 with respect to the highest educational programme successfully completed which is typically certified by a recognized qualification. Recognized intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (age group 18-24) (%)	Early leaving from education and training is 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 with duration less than 2 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 education), 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 (%)	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 consists of 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 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 hour for pay or profit during the reference period or were

	Description	Definition
		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 consider: 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 is presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) which is 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 consider: 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 unemployed persons since 12 months or more in the total active population, expressed as a percentage. The duration of unemployment is

	Description	Definition
		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 is 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.

# TABLE OF ABBREVIATIONS

CAPMAS	Central Agency for Public Mobilisation and Statistics
ETP	Enterprise TVET Partnership
FEI	Federation of Egyptian Industry
GDP	Gross domestic product
ICT	Information and communications technology
ILO	International Labour Organization
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
TVETA	Technical and Vocational Teachers' Academy
UNESCO	United Nations Educational, Scientific and Cultural Organization
VET	Vocational education and training
WBL	Work-based learning

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