
Barriers to Workforce Entry in Urban Egypt: A Qualitative Analysis of Demand and Supply Side Factors

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Research Objective

Explore how entry into the labor market is influenced by supply and demand factors to understand why the dynamics of labor markets increasingly discriminate against young people.

Egypt Labor Market (Facts)

- According to the ELMS 98:
 - Population in the age group 15-24 constitute 22 percent of the total Egyptian labor force
 - 1/3 work and 2/3 are unemployed
 - Young women 3 times more likely to be unemployed than young men and more than 5 times the overall unemployment rate in Egypt
- A long-standing policy of the Egyptian government provides guaranteed employment to secondary school graduates (Assaad, 2004)
- Households and young people motivated to invest resources and time to education (Adolescent Survey, Population Council, 2001)
- Employers influenced by gender role expectations in their hiring decisions

Issues addressed

- Research methodology
- What role does education play in youth livelihood practices in Egypt
- How do young people find out about jobs
- Barriers to employment opportunities
- What is considered an ideal job
- Policy implications

Research Methodology

- Qualitative study conducted in 2006 (In depth case studies)
- Location:
 - urban Alexandria (high economic growth)
 - urban Al-Minya (low economic growth)
- Respondents:
 - 60 men and women (15—29 years old)
 - 15 current and prospective employers (small, medium and large in size)(snowball sample among current and potential employers of youth surveyed)
- Sampling: random selection from the ELMS 1998 households

Case profiles

Households:

- Fathers main providers (either through pension funds or monthly/ weekly salary, pension paid on his death) + rentals income
- Mothers mainly housewives regardless of education level (work only when in female-headed households)
- Young people not participating directly in family income (financing own needs to lessen the burden on parents)

Case Profiles (cont')

Young Interviewees:

Employment Status:

- Mostly currently unemployed and searching for jobs
- most worked in the past on summer vacations or left a job that they deem as tiring or inconvenient to them

Education:

- Alex----Industrial and commercial secondary education
- Al-Minya---University education.

Justification: Greater mobility and out-migration of educated young people from Alex as compared to Al-Minya makes those who are well and highly educated the most to leave Alex and go to Cairo to work.

Case Profiles (cont')

Employers

Sectors:

- Alexandria (mostly manufacturing (some export), some trade (inc. export) and services)
- Al-Minya (Almost all in Manufacturing (none export), one in Services)

Size:

- Alexandria (mostly small and large) (few micro and medium)
- Al Minya (mostly small and few medium)

(NB: (number of workers: micro= 1-4, small= 5-49, medium=50-99, large= 100+)

Worker composition:

- Alex: Female (20%) (mostly in textile and garment sector). Some women in managerial and office position
- Al-Minya: few women present (mostly in food processing). Women's role limited to manual work

Research Findings

Education and Work:

Youth Perspective

- Education is related to social prestige
- University education vs. vocational education
- Frustration--- accepting jobs below status
- Assigning fields of specialization to students according to the availability of places not to preference
- Lack of soft skills learning (which are the most needed in jobs) (language, computer)
- Lack of practical courses especially for vocational courses

Research Findings

Education and Work:

Employers' Perspective

- Education is considered only for office work and experience is preferred more for manual work
- Echoed young people's opinions on education as having inadequacy of practical and hands-on training
- Outdated information in syllabi compared to work floor
- Graduates of good vocational programs are not witnessed firsthand

Research Findings

Mismatched Supply and Demand of Labor:

Supply of Labor:

- No guidance on how to reach employers or how to market their skills
- Job searching involves various expenses
- Recruitment offices (either costly or no idea they exist)
- “*wasta*” vs. better qualifications

Demand of Labor:

- Scarcity of skilled laborers
- High workers’ turnover (Head hunting)
- Ways to recruit workers (Differ by size)
- Searching for higher pay regardless of the experience gained

Research Findings

The Ideal Job:

- Governmental or public organizations guarantee a life-time secured job
- Private sector jobs were deemed exploitative
- Waged workers than to be self employed (unwillingness to bear the risk involved in having a business)
- Job search strategies are risk averse and have a long time horizon

Policy Implication

- Educational Curricula
 - greater emphasis on practical hands-on training
 - Replicate successful vocational education programs (eg MK program)
 - promote a more demand driven education system through effective partnership between Schools and businesses (eg internship programs)
- School to Work Transition
 - Schools can play a role by hosting employment fairs and seminars with prospective employers
 - Change cultural attitudes towards vocational education (lessons from other countries)
- Encourage self-employment among youth (credit and training programs)
- The public sector needs to review the employment guarantee scheme (Not officially dismantled while jobs are few)



Thank you