



EGYPT'S YOUTH OUTSIDE WORK AND EDUCATION

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Summary and key messages: Egypt's Youth who are not in Education, Employment or Training (NEET) are studied in this note, presenting the first in-depth analysis of Egypt's NEET youth, including demographic profiles and risk factors. The three main risk factors associated with an increased probability of NEET are (i) low education, (ii) living in remote areas and (iii) gender. Based on these findings, conclusions and recommendations are developed to help target the NEETs phenomenon in Egypt.

A. Who are Egypt's Youth outside work and education?

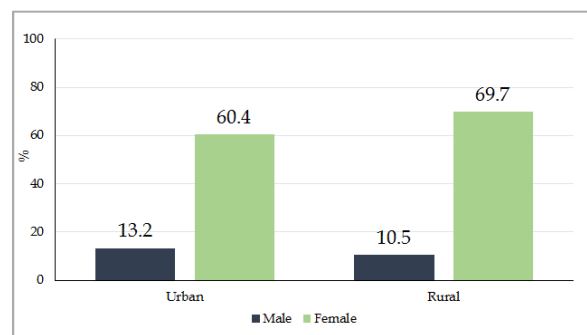
Introduction: NEET captures the percentage of youth who are "Not in Employment, Education or Training". It is an immensely useful indicator for inactivity, particularly as traditional unemployment statistics often fail to capture the full scale of challenges and barriers young people face. Youth NEET in the critical age group of 15-30 years, are by no means homogeneous—including early school leavers (drop-outs), all unemployed and youth who are discouraged and decide not to search for work, as well as those who are outside of the labor force for other reasons (family care, illness, etc.). These sub-groups include most young people who are both economically vulnerable and often not able to fully participate socially in their communities. For that reason, NEET is part of the official SDG measurements—NEET is a powerful inactivity indicator and a valuable proxy for youth who are economically and socially excluded. The analysis

in this note builds on data from the Survey of Young People of Egypt conducted in 2014 (SYPE 2014)², which provides a nationally representative sample of 10,916 youth.

Demographics & Gender: In Egypt, overall 40.7 percent of young people are neither in education or training nor in employment.

The NEET phenomenon is not gender neutral and disproportionately affects women: two out of three young women in rural Egypt (69.7 percent) and more than half of the female youth in urban areas (60.4 percent) are NEET. In contrast, only one out of eight young men in urban areas (13.2 percent) and a tenth of young men in rural Egypt (10.5 percent) are NEET (Figure 1).

Figure 1: Youth NEET in Rural Versus Urban Areas (by Gender)



Number of observations: 10,916 - Full sample

The wide gender difference cannot be fully explained by young women becoming housewives or deciding to stay home. When excluding housewives from the NEET criteria, the percentage of young women who are NEET

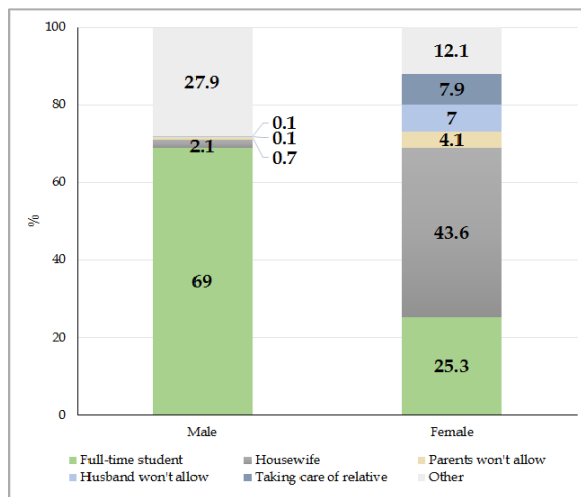
¹ Social, Urban, Rural and Resilience Global Practice, Middle East and North Africa Region (MNA SURR), the World Bank.

² Survey of Young People in Egypt (SYPE), <http://www.popcouncil.org/research/survey-of-young-people-in-egypt-2009-and-2014-datasets>. Egypt: Population Council.

is still three times higher than for young men: 29 percent (urban) and 30.9 percent (rural) females.

Rather, half of young women who are NEET in Egypt are dissuaded from seeking employment due to societal norms and expectations. Young women face a wide array of barriers that restrain them from joining the labor market (Figure 2). These include lack of parents' permission to work (4.1 percent); husbands who don't allow their young spouses to work (7.0 percent); and young women who become full-time caregivers instead of using child-care for example (7.9 percent).

Figure 2: Reasons for Being Out of Labor Force (by Gender)

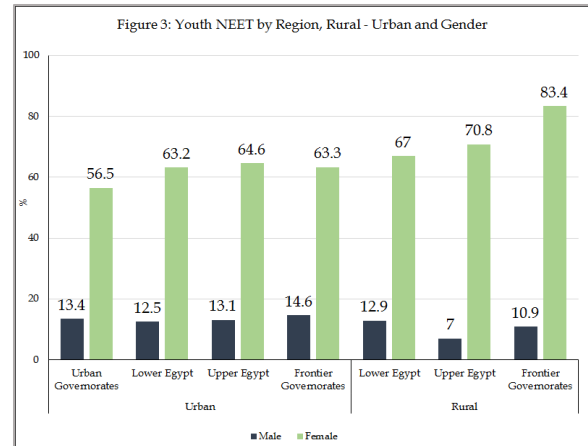


Number of observations: 6,780 – Out of Labor Force

Geographical Distribution: In terms of geographical distribution, the relative share of young men among NEETs is similar across governorates.³ However, young women are inactive predominantly in rural areas (see figure 3). The share of inactive young women is the highest in the frontier governorates where more than four out of five young women in rural areas are NEET (83.4 percent), reflecting a combination of lack of adequate employment opportunities corresponding with social norms and expectations.

³ **Urban Governorates:** Cairo, Alex, Port Said, Suez; In addition to urban areas in some governorates: urban Kalyoubia, urban Giza, urban Helwan, urban 6th of October (If any of these governorates are mentioned below, the urban areas are excluded). **Lower Egypt:** Damietta, Dakahlia, Sharkia, Qalyubia, Kafr El Sheikh, Gharbia,

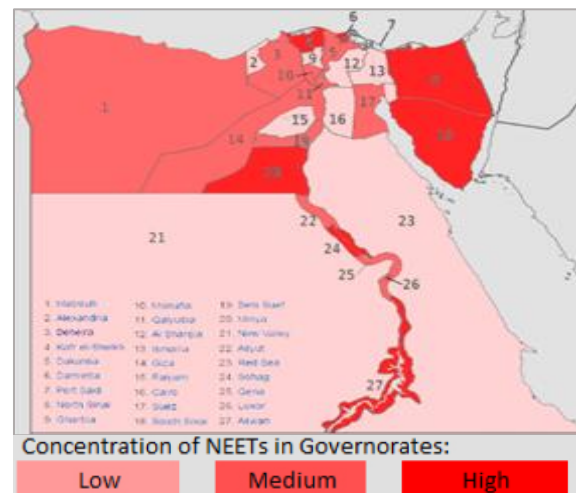
Figure 3: Youth NEET by Region, Rural - Urban and Gender



Number of observations: 10,916 – Full sample

In relative terms, the governorates with the highest NEETs ratio (relative to the local youth population) all have economies that strongly depend on tourism and some are affected by fragility (Figure 4). In these governorates, about half of all young people are NEET (Aswan 51.8 percent; North Sinai 49.9 percent; South Sinai 49.4 percent; Luxor 43.3 percent). In comparison, Cairo governorate has the lowest ratio of NEET youths (33.4 percent) relative to its total youth population, indicating longer years of schooling and better employment opportunities for young men and women.

Figure 4: Ratio of Youth NEETs per Governorate

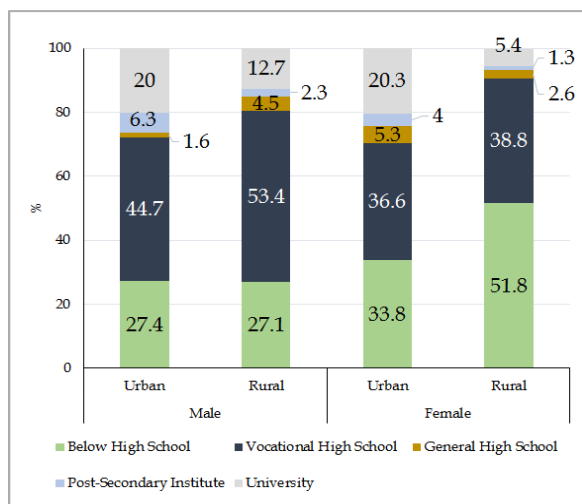


Menou a, Behira, Ismailiya. **Upper Egypt:** Giza, Beni Suef, Fayoum, Minya, Asuit, Sohag, Qena, Aswan, Luxor, Helwan, 6th of October. **Frontier Governorates:** Red sea, South Sinai, North Sinai, New Valley, Matrouh.

Education: Among youth that could be in school or university (ages 15-24), the largest proportion of inactive youth is found among those who have achieved less in terms of education (vocational training in high school or degrees below high school) in both rural and urban areas, with the share of inactive youth with low education being substantially higher in rural areas (Figure 5). In rural areas, the lack of secondary education is particularly pronounced among young women affecting more than half (rural: 27.1 percent male, 51.8 percent female), while in urban areas, the share of NEETs without secondary degree is similar among male and female youth (urban: 27.4 percent male, 33.8 percent female). Thus, particularly in rural areas, providing higher education to young women is crucial to reduce NEET rates.

Among the older cohort (ages 25-29), a fairly large proportion of NEETs has a tertiary degree compared to the younger cohort. The share of NEETs with high education is particularly high in urban areas, where almost one out of two young men above the age of 24 holds a university degree (43.8 percent). These results are in line with administrative unemployment statistics, and confirm that many graduates are not qualified for existing opportunities corresponding with high reservation wages that often cannot be met by the Egyptian labor market.

Figure 5: Highest Education among NEETs by Gender (Ages 15 - 24)



Number of observations: 2,016 – NEETs aged 15 to 24

Poverty: When looking at the relationship between NEET and poverty (using an Asset-Index calculated through Principal Component Analysis (PCA)), it stands out that NEET rates are higher among the bottom 40 percent and lower among wealthier youth. This effect stems predominantly from gender and spatial disparities: among young women and in urban areas, NEET shares differ significantly across wealth groups and are negatively correlated with wealth. Overall, finding effective measures to reduce NEET rates will thus require interventions that are tailored to different backgrounds that impact youth's decision to enter the labor market.

B. Policy Options

Solutions aimed at reintegrating NEETs into the education system and the labor market can be organized into three types of policies:

- 1. Prevention Policies:** Educational policies aimed at preventing early school dropout and at facilitating a smooth transition from school to work.
- 2. Integration Policies:** Integrated employability and entrepreneurship programs paired with community participation aimed at equipping young people with the skillsets they need for entering the labor market. Integration policies also include options for young people to complete their education despite having dropped out for some time.
- 3. Compensation Policies:** Social assistance policies aimed at assisting youth in the transition process between school and work.

Prevention Policies: Preventative measures aim to mitigate the risk of future exclusion for young people. Public campaigns and programs to support young men and young women to continue with secondary education can be cost-effective methods to reduce NEET rates. A key aspect of prevention is to make schooling more attractive to students, especially to young women. Education needs to be relevant to the labor market, to discourage students from leaving school early. Testing alternative and

innovative teaching methods to develop open and/or alternative pathways within the education system, as well as offering better teacher incentives and career guidance and counseling have been shown to increase much needed flexibility of the learning process. Many students lose interest in school due to poor academic achievements, or perceiving their academic path as irrelevant for finding a job. In such situations, prevention policies should primarily target young students within the secondary education system (ages 15-18). Considering the role of gender as one of the most impactful factors, it is crucial to design prevention policies that are gender sensitive.

Integration Policies: Integration policies include measures aimed at facilitating the entry into the labor market. These include employability and entrepreneurship programs, which can be paired with community participation projects to train soft-skills and experience with teamwork. These trainings, which can be provided in partnership with the private sector and civil society, can be targeted for NEETs with different educational backgrounds (youth with low-education; university graduates), and aim at equipping young people with the skillsets required for the labor market.

In many countries, integration measures also include options for re-entry into the education system to identify, support and monitor inactive young people who would like to complete their education, and require creating second-chance education opportunities. Integration measures are not easily available in Egypt, and furthermore only a third of all NEETs is registered with a public employment office.

Compensation Policies: Compensation policies are mostly transfers and social assistance aimed at supporting the most vulnerable groups in the society. They provide economic support for youth in an effort to assist transition to the labor market, but are often at the margins of society or in lagging regions, and cannot be easily reached by labor market programs. Such youth are often exposed to multiple vulnerability factors within challenging socio-economic environments and family conditions.

Compensation measures are often categorized as social protection/inclusion or poverty reduction. They include direct financial support; allowances to cover the cost of living; conditional cash transfers while participating in certain learning opportunities; financial incentives to employers to hire specific disadvantaged workers; and special measures to remove the physical barriers that prevent access to school or employment for young people with special needs.

C. Conclusions and Recommendation

Youth inactivity is rampant in Egypt and affects more than 40 percent of all young people between 15-29 years. This quick note identifies the characteristics associated with youth inactivity in Egypt. Understanding why youth are out of school and work is a first step to allow policy makers to develop targeted policy interventions. The findings in this note show that three main factors are associated with an increased probability of young people becoming NEETs in Egypt: low education, living in lagging regions and gender. Overall, these factors create disproportionately higher barriers for young women relative to their male counterpart.

A number of policy responses exist to reduce youth inactivity. Solutions aimed at keeping youth in school longer and for integrating NEETs into the labor market include (1) Prevention Policies to reduce early school dropout; (2) Integration Policies aimed at equipping young people with the skillsets needed for the labor market, and at providing options for school dropouts to complete their education; and (3) Compensation Policies to provide financial support to youth in the transition process between school and work.

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