

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

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Abstract

The youth employment study aims at understanding in greater depth the social context of decisions about work and consequences of workforce entry. In so doing the study analyzes both the demand and supply of labor in two governorates in Egypt, Alexandria and Minya. To reach the study objective, 30 in depth interviews were conducted with randomly selected young men and women in each of the study sites. 15 employers of different sizes and sectors were also interviewed in both governorates.

Research Findings

The study addresses the relationship between education and youth access to the job market. Due to cultural beliefs, young people perceive vocational and commercial education as low. They are more willing to join universities to gain social prestige rather than working with a vocational degree to benefit the business sector. The education system as reported by young people and employers, lacks practice and training. Students get lots of theoretical information about their fields of study but they never get the chance to know how they could apply these teachings in real life. Lack of educational practice affects businesses, as they have to provide extensive training to the newly hired employees. This is considered costly most of the time especially when the employees leave work after getting the training

From the cases analyzed there was a mismatch between the supply and demand of labor. On the supply side, young people consider the job searching process a difficult one. Schools provide them with no guidance on how to reach employers or how to market their skills. Even when the youth strive hard on their own to get a job, most of the time young people face many frustrations when the job vacancies they apply for are taken by those who have a “*wasta*” not those who have better qualifications.

On the other hand, employers are searching for certain levels of skills that they deem unavailable in most of school and university graduates. Due to the scarcity of skilled workers and high workers turnover, businesses are always in short of skilled labor.

When asked about what they consider an ideal job, young people prefer to work for the government who secure a life time job rather than working for the private sector where they stay for long hours working without getting a reasonable reward. Moreover, young people prefer to work as waged workers rather than to be self employed. This is mainly because they either lack the financial capability to start a business or they are unwilling to bear the risk involved in having a business. The idea of taking loans to start a business was totally rejected by young men and women. While some reported that this is religiously unacceptable, others were afraid of the consequences they will incur if they could not repay the loans.

Policy Recommendations

More practice should be incorporated in the different syllabi especially the vocational ones. Businessmen opinions and recommendations should be taken into consideration while developing the education systems. Schools and universities should play a role in helping young graduates through their job searching through the organization of employment fairs and seminars. Public awareness should be increased in an effort to deal with the cultural aspects that tend to dampen the respect for non-university qualification. Young people should be encouraged to start their own businesses through different means than to offer them micro loans. This could be through raising their managerial capabilities and providing them with guidance on how to monitor business cash flow.

ملخص البحث

تهدف دراسة الشباب وسوق العمل في فهم البعد الاجتماعي لقرارات العمل وأثرها على الدخول في سوق العمل بالنسبة للشباب من سن ١٥-٢٩. وفي سبيل هذا تتعرض الدراسة لتحليل جانبي العرض والطلب للعمالة في محافظتي الإسكندرية والمنيا في جمهورية مصر العربية. وللوصول إلى الأهداف المرجوة من الدراسة قد تم عمل ٣٠ مقابلة متعمقة مع شباب وشابات في كلتا المحافظتين هذا إلى جانب ١٥ مقابلة لأصحاب أعمال في قطاعات مختلفة وأحجام أعماهم مختلفة في كل محافظة.

نتائج البحث:

تتعرض الدراسة إلى العلاقة بين التعليم ودخول الشباب في سوق العمل. فنتيجة للمعتقدات داخل المجتمع، ينظر الشباب للتعليم المهني والتجاري نظرة دونية. فهم جميعاً يفضلون دخول الجامعات لتحسين وضعهم الاجتماعي على العمل بشهادتهم المهنية كي يفيدوا قطاع الأعمال. كما جاء في مقبلات الشباب ورجال الأعمال، يفتقر نظام التعليم لعنصري الممارسة والتدريب. فيدرس الطلاب معلومات نظرية كثيرة في مجال دراستهم ولكن لا يتعرض أحد منهم إلى كيفية تطبيق هذه المعلومات في الواقع. وقد أكد رجال الأعمال أن افتقار التعليم للممارسة والتطبيق يؤثر في كثير من الأحوال على سير العمل لديهم إذ أنهم يكونوا مضطرين إلى إعطاء دورات تدريبية عديدة للعاملين الجدد وفي معظم الأوقات تكون مثل هذه التدريبات مكلفة وغير مجزية للعمل وخصوصاً في حالة عدم استقرار العمالة وذهابهم لمكان آخر بعد اخذ التدريب.

ومن الحالات محل الدراسة يتضح وجود عدم توافق بين متطلبات عرض وطلب العمالة. فمن ناحية العرض، يعتبر الشباب عملية البحث عن عمل عملية شاقة يتحملوا هم مشاققتها بمفردهم. فالمدارس والجامعات لا تقوم بأي أنشطة لتعريف الشباب بسوق العمل وكيفية الوصول لأصحاب الأعمال أو كيفية عرض إمكانياتهم للحصول على عمل. هذا إلى جانب الاحباطات التي تصيبهم عندما يتكبدوا مشقة البحث عن عمل وفي النهاية يفوز بالوظائف من ينجح في الحصول على وساطة من احد الأقراب.

وعلى الجانب الآخر يقول أصحاب الأعمال بأنهم هم الآخرين في حالة بحث دائم على عمالة ماهرة فهم يرغبون في مستوى معين من الكفاءة والمهارة لا يحسبوا تواجد في شباب الخرجين من نظام التعليم الحالي. هذا وتعد المعدلات العالية لتسرب العمالة من أسباب البحث المستمر عن العمالة الذي يعانيه أصحاب الأعمال..

أما عن الوظيفة المثالية، فيعتبر معظم الشباب العمل حكومي هو الأمثل بالنسبة لهم. ففي حد تعبيرهم الحكومة توفر وظيفة آمنة حيث انه لا يمكن لأحد فصل أي شخص من عمله. فقد فضل الشباب العمل لدى الهيئات الحكومية على العمل في القطاع الخاص الذي وصفوه بالاستغلال حيث أنهم يعملون لساعات طويلة به ولا يتقاضون اجر مجزي مقابل ما تم تقديمه من عمل. أما عن رأيهم في عمل مشروع خاص بهم فقد اعترض الجميع على هذه الفكرة باعتبارهم غير قادرين على المجازفة في حالة فشل هذه المشاريع. وقد اعترض الشباب على فكرة اخذ قروض لتمويل مشروعاتهم الشخصية فبينما اعتبر جزء منهم هذا أمر غير مقبول دينياً اعترض آخرون على أن يتحملوا عواقب عدم تسديد هذه القروض.

توصيات لواقعي السياسات:

لا بد من الإكثار من المناهج العملية في نظام التعليم وخصوصاً في مجال التعليم الفني كما انه من الضروري الأخذ في الاعتبار آراء وتوصيات رجال الأعمال عند تطوير مناهج التعليم. لا بد أن تلعب المدارس والجامعات دور في تعريف شباب الخرجين بكيفية البحث عن عمل والوصول لرجال الأعمال وذلك عن طريق تنظيم معارض للعمل ومقابلات مع رجال الأعمال. يجب رفع الوعي العام في ناحية احترام ما هو غير جامعي وعدم التعامل معه على انه وضع. يجب أيضاً تشجيع الشباب على إقامة مشروعات خاصة بهم ليس فقط عن طريق توفير الناحية المادية من خلال القروض ولكن يجب إعطاء تدريب كافي للشباب على إدارة المشاريع ومتابعة التدفق النقدي للمشروعات.

Introduction

Egyptian society has witnessed considerable economic growth in recent decades, yet this growth has not been accompanied by commensurate employment opportunities for young people. Indeed, youth unemployment is at unprecedented high levels particularly among young women despite their considerably greater education levels and willingness to work relative to the past¹. Part of the explanation may lie in the fact that export expansion, typically responsible for providing opportunities for young women, has been minimal even compared to other Middle-income countries.² This paper proposes to explore how entry into the labor market is influenced by supply and demand factors, in order to understand why the dynamics of labor markets increasingly discriminate against young people.

The literature suggests that there might be issues of mismatch of demand relative to supply— young people and women in particular may not possess some of the characteristics that employers

demand, such as high-mobility and willingness to travel great distances³, flexibility in terms of work hours and interest in acquiring job-specific training⁴. In addition, there may be gender prejudices that operate to make women workers less desirable than male workers. Boserup (1970) argues that variation in the valuation of women's work across societies find their basis in agricultural and ecological factors. Societies that traditionally practiced wheat production are less likely to engage women in production relative to rice cultivating regions where women's nimble fingers are much in need.⁵ These explanations have been invoked to explain modern day variation in workforce participation within India where north-south variations coincide with wheat/rice cultivation and are consistent with labor force participation of women.⁶ Similar arguments about women's relative skills and abilities have also informed the recruitment processes in the garment sector in Bangladesh. It is believed that women are better equipped for the nature of work in garment factories because of their nimble fingers. Such a belief informed recruitment strategies in the rapidly growing garment sector that engages women in large numbers⁷. Demand for labor generated and expanded supply as women renegotiated the norms of seclusion in this largely Muslim society to engage in formal employment in large numbers.⁸

There are also factors that generate quite unrealistic job market expectations among job-seekers. A long-standing policy of the Egyptian government to provide guaranteed employment to secondary school graduates may distort expectations and lead to investments in human capital that are driven by these guarantees. Households and young people may be motivated to invest resources and time to education that is not commensurate with what employers demand, and then to wait in queue for jobs in the public sector rather than take up what is on offer in the private sector.⁹ A recent study finds that while compared to vocational education, general education and higher education at the university level is more selective of children on more privileged backgrounds, vocational education yields better returns in the labor market.¹⁰

In addition, a factor affecting women may be that women's traditional role has been largely domestic, and employers may still be influenced by those gender role expectations in their hiring decisions¹¹. A study of young women wage workers in Egypt shows that women themselves expect to quit work after marriage, particularly if they are engaged in long hours of work in the private sector¹². These expectations regarding marriage may underlie reluctance on behalf of employers to recruit women, particularly if jobs require investment for job specific training.

In addition to giving equal weight to demand- and supply-side factors, the study also pays attention to actual functioning of the labor market. Through observations and retrospective data the study describes the process by which hiring and firing decisions are made and the respective roles of the worker and the employees in these exchanges. The study also reviews how young people find out about available jobs; one major barrier to employment of qualified young employees may be their relatively limited social networks. Once fully understood, both of these market inefficiencies may be ameliorated by interventions.

Research Methodology

The study is qualitative in nature and based on in-depth interviews with workers and employers. It approaches the central research questions from multiple dimensions—detailed case studies are used to describe the subjective perceptions and objective realities of young people poised to enter the workforce. Individuals, their current/ potential employers, other household and community members, were also interviewed. The same topics raised in the interviews were approached in multiple ways to help triangulate data.

Two urban communities were selected. The communities were chosen such that one represents an area of high economic growth and the other represents an area of low economic growth, based on data analyzed from the Egypt Labor Market Survey (ELMS).¹³ Alexandria (high opportunity) and Al-Minya (low opportunity) are the two urban areas selected for the study.

In addition to providing detailed background information, the study probed objective and subjective assessments, from young respondents, of what works and what does not in seeking employment. Data collection focused on in-depth case studies of working men and women between the ages of 15-29 living in economically diverse districts. Since the primary area of concern of this study is to understand the determinants and consequences of unemployment, qualitative interviews of unemployed men and women aging 15-29 were also conducted.

The case studies conducted involved a description of the young people's families and educational background, their attempts at finding work, pattern of time use and attitudes regarding their work and personal status including family and marital relationships. Particular attention was also paid to the consequences of work for the poverty status of individuals and households.

To address the demand side of labor, a detailed enquiry into employers' attitudes, values and hiring practices was conducted in the places of work in the communities where the case studies reside or places to which they commute.

Sampling

To guarantee high quality and depth of details, the total number of cases conducted did not exceed 30, selected from each community. The cases were randomly selected from the list of young people interviewed in the ELMS 98¹⁴.

Fifteen in depth interviews were conducted in each study site with employers. Some of the employers selected were nominated by the randomly selected cases on discussion with them to represent the range of opportunities that they can avail or can think of availing. More employers were randomly selected out of comprehensive lists provided by the businessmen associations in both Alexandria and Al Minya. Selection from these lists involved stratification of businesses size to ensure that the sample covered some of the small, medium and large businesses operating in both governorates.

Case Profiles

Households

Most of the interviewees, in Alexandria and Minya, were from lower middle-class households. Some of the houses were poorly furnished and often did not have basic domestic appliances such as washing machines and refrigerators. Fathers were most likely to be the head of the household and the main financial providers of these families whether through their monthly income from work, from their retirement funds, or pensions paid to their families on their death. Other than the fathers' income, some of the families had rental income, usually from land or a house.

Mothers of respondents in both Minya and Alex were housewives regardless of their education level. We found working mothers only in households where they were also the head of the household due to the death of the father or divorce. Working mothers were either employed as teachers or worked as sellers in their owned shops.

Although most of the households visited appeared to have limited sources of incomes, the young men and women interviewed reported that they did not work or plan to work to participate in their families' expenses. They, however, claimed that work would help them meet their own needs that, in turn, lower the financial burden they bring on their families.

Young Men and Women

According to the ELMS 1998 data, 4.3 million or 31.8 percent of Egyptian youth are in the

labor force, either in employment or are unemployed and actively searching for employment. They constitute 23.7 percent of the total labor force (15-64) in Egypt.

Those between the ages of 15-24 constitute 22 percent of the total Egyptian labor force. A third of them work and two-thirds are looking for work. In fact, this age category comprises the largest segment of the unemployed—about two and a half times the unemployment rate for the total labor force (10.8 percent). On an average the duration of unemployment ranged from more than a year and a half for the 15 to 19 age category to more than 3 years for youths aged 20-24 (Radwan, 1998:9). Youth unemployment is a more serious problem for females. Recent data show the unemployment rate for young women between the ages of 15 and 24 is three times the unemployment rate of young men of the same age group and more than five times the overall unemployment rate in Egypt.

The majority of respondents were single, currently unemployed and had completed vocational secondary school (See Appendix 1). Although currently unemployed at the time of the interviews respondents had work experience through the jobs they took during their school summer vacations. In Alexandria, young girls most often work as salesgirls in retail stores, coordinators in cyber cafés, or are engaged sewing and embroidering in ready made garment factories. Young men work as salesmen in retail stores, waiters in hotels and cafeterias, computer operators and communication officers. Work opportunities were more limited in Minya. Girls were most likely to work as occasional tutors for young children, while boys worked as car drivers, sales boys in retail shops or as helpers or supervisors in agricultural land. (See Appendix 1 for employment status).

The ELMS survey showed that the current generation of young people have benefited from increasing level of education. Over 80 percent have completed at least primary schooling, with the largest proportion (about a third) having completed vocational schooling at the secondary level. Despite this impressive development in the overall level of youth education, there are severe gender disparities. One fifth (20 percent) of all young women aged 15-24 have no education, compared to 6 percent of young men in the same age category. However, there are signs of progress in this regard as “the proportion of girls who have never attended school dropped from 21 percent among 19 year-olds to 13 percent among the youngest cohort aged 10 in 1997”.

In this study, secondary education was the most prevalent field of study among the men and women interviewed in Alex. Very few of the Alex interviewees were enrolled in or graduated from universities. They either did not succeed in getting high grades that would enable them to join universities or they could not afford the high expenses related to university education. On the other hand, the majority of Al Minya interviewees, both males and females, were university graduates¹⁵. As a result, young people in Minya stressed the direct relationship between education and social prestige regardless of the difficulties that they might face in searching for jobs. (See Appendix 2 for education of respondents)

Most of the girls and boys interviewed in both Minya and Alex were not married. While the young men reported that they would not think of marriage before they get settled in well-paid jobs, young women conveyed that work is a good way to increase a girl's chance of getting married as she would have to communicate with many people and possible suitors would see more of her. Young women also added that they would prefer to continue working after marriage in order to help their future husbands meet the expenditures of running a household in an increasingly expensive consumer society.

In the study, we expect to find a less married and more educated set of young people because the selected young men and women were chosen from the ELMS 1998 household only and not from the splits, who are traced in the ELMPS2006 survey. These splits are likely to have married and

moved away. As a result, our sample may also be more educated which appears as we have denoted above.

Employers

Sectors and Activities

The majority of the employers interviewed in Alex operate in the manufacturing sector in activities like production of ready-made garments, textile, furniture and detergents. Other employers belong to service, trade and tourism sectors. On the other hand, almost all enterprises covered in Minya were in the manufacturing sector except for one enterprise, which was in the tourism sector. Manufacturing activities in Minya included food processing, production of construction materials such as paints and tiles as well as the recycling of agricultural wastes.

Due to the proximity of Alexandria port and export incentives given to the industrial zones in Alexandria in the form of tax holidays, enterprises in Alexandria participate more in export activities unlike those in Minya. Enterprises working in the ready-made garment field in Alex reported that almost 50% or more of their production is exported while none of the Minya enterprises were engaged in any export activity.

Enterprises Size

Based on “The Definition of M/SME” study prepared by the Economic Research Forum (ERF) for the SME Policy Development Project of the Ministry of Foreign Trade (MOFT) in 2004, the enterprises in the study were classified according to the number of workers as micro, small, medium, and large¹⁶.

Equal number of enterprises covered in Alex belong to the small and large categories, while few were micro and medium enterprises. On the other hand, all enterprises covered in Al-Minya were considered small ones except for two enterprises, which belong to the medium size category. (See Appendix 3)

Workers’ Composition

The ratio of female to male workers in the enterprises working in Alex was found to be higher than those in Al-Minya. In the Alexandria enterprises women represented 20% to 75% of the work force depending on the sector of operation, with the higher percentage being in the ready-made garment and textile industries both of which depend heavily on female labor. Enterprises working in the production of construction materials, however, reported that women have no presence in their work place, as the harsh nature of their business does not fit women.

Female workers had higher presence in the food processing factories in Al-Minya. However, there were no female workers in the enterprises working in construction materials production there. Owners of these enterprises either claimed that their factories exist in remote areas which are difficult for women to reach daily or that their fields of operation are not suitable for women as they involve carrying heavy loads.

Enterprise owners in Alex and Al-Minya prefer recruiting single rather than married women. They believe that married women’s familial responsibilities always clash with their work obligation, thus negatively affecting their work performance.

Women working in Alex enterprises had equal chances as men in assuming office, managerial and manual work positions, whereas women working in Minya were only offered places in jobs involving manual work.

“I cannot hire a woman to manage or supervise men’s work. This will cause many troubles at work as we are in Upper Egypt and this is not acceptable”
Said Mr. Saleh, a factory owner in Minya.

Research Findings

Education and Work

According to the data from ELMS 1998, there is an interesting relationship between education and labor force participation of young men and women in Egypt. Education has a much higher influence on the participation of young women than young men. Participation of young women is constant among those with less than intermediate education and rises sharply for young women with intermediate level education and above. Participation of male youth is more or less the same across the various education level.

The ELMS 1998 also shows that the gap in participation among illiterate male and female youth is very large but tends to decrease sharply after the intermediate level of education, such that equal proportions of men and women with university degrees are in the labor force.

The in-depth interviews conducted through this study explored attitudes and aspirations regarding education to understand the role of human capital acquisition in explaining workforce entry.

Young People's perspectives

Higher education is valued among youth in Minya and Alexandria regardless of whether or not this would help them to earn a living after graduation. Education is related to social prestige that determines how one is treated among his family members and community.

“Education is the basis on which people admire or denigrate someone in this society no matter whether or not this person is going to work. I look up to my brother Mohammad. He managed to join the faculty of science and will be a bachelor degree holder. It is enough to be a university graduate to gain people's respect” said Rehab a student in an industrial secondary school in Alex.

University education was the ultimate aspiration and goal of all those interviewed in the two governorates whether males or females. Those who finished or were still enrolled in vocational, technical, mid-level education looked down at their degrees. They attributed their failure to join universities either to the financial inability of their families or their poor grades. Occasionally there was mention that parents and guardians prevented daughters from joining universities despite high grades, usually when they were assigned to colleges far from their homes.

The lack of appropriate jobs for university graduates always forces them to accept work that was deemed beneath their status, thus causing much frustration and bitterness.

“Graduates can spend from one to three years looking for a suitable job especially those who insist on working within the specialization they studied. Some people I know are now working as car mechanics although they have a university degree. Others, however, may refuse such jobs as they are less prestigious” said Jacqline, a university student in Minya.

Respondents placed some of the blame on the allocation system within the education system that does not take into account student preferences in allocating them to fields of specialization. Educational institutions assign fields of specialization to students according to the availability of places in each field. The respondents complained that more often than not, this allocation process does not match students' desires or interests.

“I did not choose my field of study. It was the school that assigned each one of us a certain vocation. As for me, I would not have chosen the field of

electricity and power. It made my friends and neighbors make fun of me because this field suits men more. I wanted to major in sewing and decoration instead yet there was no place for me there” said Rabab, a graduate of vocational education in Alex.

When asked whether or not the education system equipped them with the skills necessary to join the labor market, young people, who are currently working or had a previous work experience in Minya and Alexandria, reported that the current system provided them with nothing but a certificate. It is noteworthy that respondents who have never worked did not appear to be as aware of the shortcomings of the education system and believed the education system provided them with what they would need to be a skilled employee later on.

Computer skills and facility with foreign languages are increasingly necessary for most forms of employment in both governorates. Yet few people acquired these skills in school at an adequate level of proficiency. For example, some respondents reported they were provided with a one-hour computer class once a week, which did not equip them to be qualified in using computers. Even when they took this short class, there were not enough machines in schools for everyone to practice. Most of the respondents who were searching for jobs after graduation, reported that all job offers required that they have computer skills; thus, they had to join computer courses provided by private centers to gain these skills though the courses were very costly for them. Graduates of vocational education reported they seldom gained any practical experience. Students receive a lot of theoretical information about their fields of study but seldom the opportunity to know how to apply these teachings in real life.

The school taught us a lot about welding techniques; however, we did not receive much practice. Actually, I got to learn more when I worked at welding workshops than what I learnt at school. If the school had provided me with the necessary skills, I would have had much confidence to open my own workshop and would have a source of income.” said Ashraf, a graduate of a vocational school in Alex.

The respondents criticized even the theoretical syllabi for all the irrelevant detail that it included.

When asked whether schools provided opportunities for summer trainings that might help them when they get employed, young people reported that this did not happen. Respondents in both governorates reported that even when such internships or training are offered through schools they were more likely to go to students who have connections or a “*wasta*”¹⁷.

In terms of teacher attributes respondents were more likely to cite indifference rather than inadequate knowledge or training among teachers and attributed the indifference to private tutoring. While some saw that the teachers were adequately explaining lessons, others claimed that teachers did not care whether the students understood any of the explained subjects as long as everyone took private tutoring.

Employers’ Perspectives

Entrepreneurs, regardless of the size and sector of their businesses, considered educational degrees important only for administrative positions such as in management, accounting or finance. For other positions, especially those needing skilled workers and craftsmen, employers prefer experience over education.

Because of the unavailability of skilled laborers and the need for technical workers, employers occasionally accept university graduates in workers’ positions; however, employers observe that university graduates are always in search for office work and they feel offended when their supervisors ask them to work in factory floors or work sites to the extent that they might quit work and foment agitation among the workers.

On evaluating the current education systems, businessmen in Minya and Alex echoed the opinions of young people in their assessment in terms of the inadequacy of practical and hands-on training. They complained that the fresh young graduates applying to work in their enterprises lack practical training because students do not get a chance during school to work on machines or use real tools that they would be asked to use when they join the labor market. Moreover, the syllabi offered at schools and universities involve outdated information that differs from what the graduates will face when they join the job market.

Businesses try to overcome the shortcomings by offering training programs to newly hired employees before they start actual work. Because training courses in professional centers are considered costly, small and medium enterprises limit the training provided to new employees to a 3-month on-the-job-training period. During this period, the new employee is asked to work under the supervision of a senior staff member who coaches and directs him/her. Large enterprises on the other hand, reported that besides the on-the-job-coaching, they might provide new workers with extensive training in professional centers or schools whenever necessary, in order to reach the level of skills desired. Although large enterprises had the capability and desire to provide this type of professional training, they did not consider it worthwhile as attrition from these courses is high and workers often leave the enterprise soon after completing training.

“We normally have classes here in our factory where we train new girls how to sew and cut designs for ready-made garments. However, because of the high workers’ turnover in our industry, these girls are likely to leave us after they get trained if they were head-hunted by other factories who might pay them a higher wage.” Said one of the large employers.

Although employers in both governorates criticized the current education system in general terms, employers in Minya singled out and praised the Mubarak –Kohl (MK) initiative¹⁸ for dual vocational education as one that would improve the level of skills of the vocational education graduates. For the Minya businesses, the MK apprentices receiving practical training at their work sites are considered "cheap laborer" that contribute to production without any commitment to hire them. Although employers in Alex believed the MK vocational education program was promising they were yet to witness them firsthand

“Even with the vocational programs intending to improve the level of young people’s skills, we could not benefit from their graduates. Education regulations give chance to the graduates of these programs to join universities with lower grades than other secondary education graduates. Thus, young people use such programs as a gate to join universities and become a holder of a bachelor degree rather than to join the labor market and benefit the business sector.” Said Mr. Wasim, an owner of a large business in Alex.

Because there are more private schools and universities in Alex compared to Minya, employers in Alex were able to compare between the private and public schools. It is their perception that private school graduates are better prepared because they have better language and computer skills. Some also thought they are fast learners and more enthusiastic to work.

Mismatched Supply and Demand of Labor

The study showed that there is a mismatch between the demand and supply of labor. On the one hand, employers are searching for certain levels of skills that they do not find inherent in most secondary school and university graduates. Although young men and women are aware that they lack practical skills, they do not seem to be fully aware of what businesses need. On the part of young workers status concerns are more the issue. They consider what they learnt at schools as sufficient to get them a “respectable” job. They are unwilling to accept a vocational job that is perceived as inferior in their communities.

Supply of Labor

Young interviewees reported that the job searching process is a difficult one. They have no guidance on how to reach employers or how to market their skills. Moreover, job searching involves various expenses that they have to bear while unemployed, such as transportation costs, issuing and photocopying official papers and application fees.

Young men and women reported that their schools and universities, in either Minya or Alexandria, were of no help to introduce them to prospective employers. No exhibitions or employment fairs were organized by schools to help the graduates find jobs. Even those who stated that their universities organized some fairs to help them meet with employers reported that that takes place less frequently than it should be.

“The school role is limited to giving us a certificate and no more. They do not care what we would do with this certificate after we graduate.” said Ayman, a bachelor degree holder in Minya.

Without the support of schools, young men and women commonly depend on their relatives and friends to find them a job. They also follow the daily and weekly newspapers that might advertise for a job vacancy. Some of those interviewed in both governorates did not seek any recruitment offices in their job search either because it is costly for them to depend on this service or they do not believe these offices would get them the jobs they dream of; however, most of the interviewees reported that they had no idea that such offices exist.

Young people are particularly frustrated when after trying long and hard they see that the jobs they apply for are taken by those who have a “wasta” and not necessarily by those who have better qualifications.

“Finding a job depends on luck. Some people search very hard for a job yet they get nothing while others do nothing and get a good job just because they have a “wasta”” said Nihal, a bachelor degree holder in Alex.

Demand of Labor

Employers in Alex and Minya, regardless of their business size, reported that they are always in continuous search for workers because of the scarcity of skilled laborers and the high workers' turnover. The means by which employers search for workers differ according to the size of business and the type of skills needed. Large businesses recruit people through university employment fairs especially when they need fresh graduates for administrative positions. Sometimes large businesses might seek recruitment offices for managerial and technical positions that need experienced personnel; however, not all of them trust recruitment offices in providing the high level calibers that really meet their business needs. Small and medium businesses, on the other hand, prefer employing people in technical and professional positions based on relatives' and friends' nominations.

Businesses complained that young people are always moving from one workplace to the other searching for higher pay regardless of whether they gain experience or not. Certain sectors, like

the ready made garment, reported high head hunting activities among businesses because of the scarcity of skilled labor in this sector.

The Ideal Job

The study tries to explore what an ideal job means for the young people in Minya and Alex. Interviewees reported that this is a job in any governmental or public organization. This is out of a long-standing belief that the government, as an employer, guarantees a secured job for its employees. Although most of those interviewed reported that governmental jobs do not involve decent paycheck, they preferred them as they are life-time jobs where they would feel socially secured.

“I believe it is better for me to have a government job. The government would provide me with a stable job with a guaranteed income and a pension payment when I retire!” said Bassma, a commercial education graduate from Minya

Young people justified their desire for a government over private sector jobs because the latter was deemed exploitative. Although most private sector jobs pay more than government jobs, the level of effort demanded in a private sector job far exceeds that involved in the government work. In the private businesses, young people are asked to work for long hours without receiving a reasonable reward.

“I once worked with a blacksmith for a month and half. I could not stay for long with him as he asked me to work from morning till 8:p.m. everyday and he only paid me 5 EGP at the end of each week.” said Amr, a commercial education graduate from Minya.

Employers, on the other hand, claimed that young people nowadays are lazy and they want to get paid for doing nothing. Some employers in Alex reported that the main reason behind the high turnover they experience in their businesses is because workers leave them when they get an offer in the government. Employers in Minya on the other hand reported that even when the youth leave their businesses to get a government job they return again to work for the private businesses in an attempt to search for a better pay.

When asked whether or not they prefer to have their own businesses or work for someone, all young interviewees preferred to work as waged workers than to be self employed. While some reported that they lack the financial capability to start a business most of them showed unwillingness to bear the risk involved in having a business.

“I have not thought of having my own business. It is not a good idea as it would be totally my own responsibility if it failed.” Said Mohamed, a student in the faculty of Engineering in Minya

Taking loans from the social fund or any business association to start business was totally unacceptable for young men and women. While some reported that this is religiously unacceptable, others were afraid of the consequences if they failed to repay the loans.

The attitudes of young people towards private sector versus public sector jobs, and in terms of self-employment versus wage labor, suggest that job search strategies are risk averse and have a long time horizon. Public sector jobs are valued because of pensions, job security as well as the low work intensity compared to private sector jobs. Similarly, self-employment may have greater returns but comes with the price tag of high work intensity, no promise of pension, and entails risks that the young person is unwilling to bear.

Conclusion

The in-depth interviews explored attitudes and behavioral indicators among young people and employers on the topics of education and job aspirations in addition to descriptions of the job search process. In terms of the education system the data problematizes two issues in particular. The majority of students in the vocational system are assigned to fields that they would not choose of their own volition. As a result students are not motivated to study hard and learn well. Another aspect of the school system that is considered problematic is the lack of practical training in the school curriculum.

An equally important barrier to the acquisition of appropriate skills is the low status ascribed to most forms of vocational or commercial jobs and the high social status and prestige associated with university education despite its relatively low payoff.

Young people feel that they are left to their own devices and lack any institutional support when it comes to the actual job search process. In this regard, the system of “*wasta*” that gives preference to friends and relatives of existing employees of institutions is an additional source of frustration. While those with good social networks and strong network ties can benefit from the system, the majority is left out and feels frustrated that connections rather than ability or merit is rewarded in this system.

Finally, young people prefer to work for the government in a secure lifetime job rather than working for the private sector where they work for longer hours without getting a reasonable pay. Young people prefer to work as waged workers than to be self employed. This is mainly because they either lack the financial capability to start a business or they are unwilling to bear the risk involved in case of loss.

On the side of employers, the inadequacies of the educational system represents additional costs to businesses as they have to provide extensive training to the newly hired employees, which is costly for them especially when the employees leave work after getting the training.

Employers are searching for certain levels of skills that they deem unavailable in most of school and university graduates.

Due to the scarcity of skilled workers and high workers turnover, businesses are always in need of skilled labor.

The results from this study suggest some strategies that may be employed by the education sector. Because of the critical impact of education on both the supply and demand of labor, educational development is of paramount importance for the labor market. Specifically, curricula should include a greater emphasis on practical hands-on training and should be incorporated in the different syllabi especially the vocational ones. Building on the success of some vocational education programs such as the MK program would help in developing vocational and technical education appropriately for the business sector.

School systems may be encouraged to form effective partnerships with businesses since they have a vested interest in developing such partnerships. Better communication between educational systems and the business sector would also promote a more demand driven education system.

Schools and universities can be encouraged to play a proactive role in helping young graduates in their job search process. Specific activities can include employment fairs and seminars with prospective employers whereby young people would have more knowledge of what the businesses needs.

More generally, cultural attitudes towards vocational education need to be transformed. The low status of vocational education is not commensurate with the potentially important role it can play

in the acquisition of human capital. Similar efforts should be made to encourage self-employment among youth. These can take the form of credit to encourage private entrepreneurship and training programs to encourage entrepreneurial skills. Most importantly, the public sector can play a part. The employment guarantee scheme has never officially been dismantled even though jobs available in the public sector are few and far between.

Appendix 1: Employment status of young interviewees

Governorate	Education			
	Currently Employed		Currently unemployed	
	Males	Female	Male	Female
Alex	5	3	6	9
Minya	3	3	10	6

Appendix 2: Education of Young Respondents

Governorate	Education							
	Still enrolled in School		Diploma		University degree		Left education	
	Males	Female	Male	Female	Male	Female	Male	Female
Alex	0	2	5	6	4	4	2	0
Minya	4	2	0	0	7	7	2	0

Appendix 3: Employers' Profile

Governorate	Sector of Employers	Activities performed	Size of workers	Size of business	Ratio of women to workforce
Alex	Service	Shipment	120	Large	30%
	Service	Tourism	1000	Large	20%
	Manufacturing	Ready made garment	450	Large	75%
	Manufacturing	Ready made Garment	38	Small	71%
	Manufacturing	Furniture	8	Small	0%
	Manufacturing	Detergents	8	Small	12%
	Manufacturing	Water taps and pipes	16	Small	0%
	Manufacturing	Food flavors	24	small	80%
	Trade	Selling agriculture seeds	90	Medium	20%
	Service	Computer system training	80	Medium	20%
	Construction	Building Contractors	50	Medium	0%
	Manufacturing	Textile	850	Large	45%
	Manufacturing	Aluminum production	4	Micro	50%
	Manufacturing	Ready made garments	4	Micro	75%
	Manufacturing	Dyeing textile	2600	Large	60%

Appendix 3: Employers' Profile (continued)

Governorate	Sector of Employers	Activities performed	Size of workers	Size of business	Ratio of women to workforce
Minya	Manufacturing	Food production	40	small	38%
	Manufacturing	Food production	13	Small	38%
	Service	Tourism	60	Medium	16%
	Manufacturing	Plastic production	24	Small	33%
	Manufacturing	Food production	57	Medium	39%
	Manufacturing	Tiles production	32	Small	0%
	Manufacturing	Paints production	27	Small	0%
	Manufacturing	Recycling agricultural wastes	37	Small	0%
	Manufacturing	Tiles production	11	Small	0%
	Manufacturing	Tobaco production	25	Small	0%
	Manufacturing	Soap and oils production	29	Small	14%
	Manufacturing	Pipes production	8	Small	0%
	Manufacturing	Gases production	11	Small	0%
	Manufacturing	Food production	40	Small	62%

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- ¹⁴ The ELMS 1998 sample has a total of 23,997 individual observations of which 21.6 percent (5,175) are youth between the ages 15 and 24 (2737 males and 2438 females).

¹⁵ Given the rigorous randomization followed in our selection process we expected the educational distribution of the sample to reflect educational distribution of the area. Alex has greater educational attainment. The high proportion of students in the Minya sample, and the seemingly higher educational achievement, may be explained by greater mobility and out-migration of more educated young people from Alex than from Minya.

¹⁶ micro (1-4 workers), small (5-49 workers), medium, (50-99) and large (100+)

¹⁷ Wasta is the term used when somebody has a relative or acquaintance who can recommend him/her in a job, training...etc.

¹⁸ The MK program aims to establish a system of dual vocational education that emphasizes both theoretical and practical learning. The program targets students who have successfully completed their basic education. The MK students attend school only two days per week and undergo practical training at real businesses for the rest of the week.