

LABOUR MARKET PROFILE EGYPT – 2020/2021



The profile provides an overview of the labour market's structures, development, and challenges.

Danish Trade Union
Development Agency



ULANDSSEKRETARIATET – DTDA
DANISH TRADE UNION DEVELOPMENT AGENCY

PREFACE

Danish Trade Union Development Agency (DTDA) is the development organisation of the Danish trade union movement. This agency was established in 1987 by the two largest Danish confederations – Danish Federation of Trade Unions (Danish acronym: LO) and Danish Confederation of Professionals (Danish acronym: FTF). These confederations merged to become the Danish Trade Union Confederation (Danish acronym: FH) in January 2019. Correspondingly, former known as LO/FTF Council was changed to DTDA.

The work of DTDA is in line with the global Decent Work Agenda (DWA) based on its pillars: creating decent jobs, guaranteeing rights at work, extending social protection, and promoting social dialogue. The overall development objective of DTDA's interventions in the South is to eradicate poverty and support the development of just and democratic societies by furthering the DWA.

DTDA works in partnership collaboration with trade union organisations in Africa, Asia, Latin America, and the Middle East. The immediate objective of the programme implementation is to assist the partner organisations in becoming change-agents in their own national and regional labour market context, capable of achieving tangible improvements in the national DWA conditions, and towards the achievement of the labour-related Sustainable Development Goals (SDGs).

The format of the Labour Market Profile (LMP) provides a comprehensive overview of the labour market situation in the individual countries of engagement. The profile is divided into nine thematic sections describing the economic performance, labour legislation, social partners, social dialogue, violations of trade union rights, working conditions, the general status of the workforce, education, and social protection.

In the framework of DWA and SDGs, LMPs are following several central indicators addressing aspects of labour market development, especially the unionism evolution, social dialogue and bi-/tri-partite mechanisms, policy development and legal reforms, status vis-à-vis ILO conventions and labour standards, among others.

Primary sources of data and information for LMPs are:

- As part of programme implementation and monitoring, national partner organisations provide annual narrative progress reports, including information on labour market developments. Furthermore, specific types of data and information relating to key indicators are collected using a unique data collection tool.
- National statistical institutions and international databanks are used as a source for collection of general (statistical) data and information such as ILOSTAT and NATLEX, World Bank Open Data, ITUC Survey of Violations of Trade Union Rights, the U.S. Department of State as well as other international recognised labour-related global indexes.
- Academia and media sources (e.g. LabourStart, national news, among others) are furthermore used in the available research on labour market issues.

Labour Market Profiles for more than 30 countries are available on DTDA's website:

<https://www.ulandssekretariatet.dk/>.

DTDA prepared the Labour Market Profile in collaboration with the DTDA MENA sub-Regional Office in Tunisia. If any comments or questions arise to the profile, please contact Mr. Kasper Andersen (kan@dtda.dk) from DTDA.

Cover photo represents Egyptian metalworkers photographed by Carsten Snejbjerg.

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EXECUTIVE SUMMARY

Egypt experienced a progressive economic growth during the 2010s. Economic reforms stabilised the macroeconomic stability to curb the declining revenues, a ballooning deficit, a devaluating currency, and downturned capital inflows. In 2020, the development was slowed down as an impact of the global coronavirus (Covid-19) pandemic. The country was not hit as hard as the neighbouring Northern Africa countries and saved by ongoing massive infrastructure development programmes. High inflation in consumer prices stymied the latest wage hike to state servants in 2019 and hollowing workers' income purchasing power. Wage gender gaps persisted in the private sector.

Major legal reforms of the complexed legal labour framework were recently launched, which includes a step ahead for independent trade unions by ending restrictions on the elections of trade unions as well as attempts to lure informal workers to join pension schemes. Labour legislation remains marred by persistent flaws to international standards. For example, it was not until 2018 that the independent trade unions became legally recognised. However, this segment is still facing bureaucratic conundrums to realise their formalisation, which contested their attempt to settle disputes through bargaining. Supreme Council for Community Dialogue (SCCD) was established in April 2018, but only with few traces of active contribution to social dialogue over the last two years.

The employers' share of total employment in Egypt experienced a declining trend but remained at a high level of 11%. Employers' representatives consider the cooperation in labour-employer relations to be at a high-medium level. Official data of the trade union membership rate was scarce, but estimations suggested that the trade union density of employment was dwindling to 11% in 2019. The country was listed on the Global Rights Index's worst ranking concerning trade union rights violation.

A remarkable population boom happened in the 2010s, which was in the wake of growing poverty and rising cultural conservatism. By 2030, Egypt's working-age population is projected to increase by 20%; undeniably putting further pressure on job creation and social systems' coverage. Labour productivity is on the rise and supported by a growing industry sector both in terms of employment and structural economic progress. Deep-

rooted structural challenges in Egypt's labour market are connected to a high-pitched skill mismatch between job requirements and qualifications along with the elevated youth unemployment rate. Another challenge is the fact that women in Egypt are underrepresented in the labour market. At least two out of five (42%) young women in 2020 were grasped in unemployment but experienced a significant drop during the 2010s, which was supported by the boosted industry sector. Informal employment is mounting and absorbs at least one out of two workers marred by loopholes in labour and business regulations.

Child labour remained prevalent in Egypt and appeared to expand during the 2010s but stayed considerably lower than the Africa average. The employment by education has improved, but still one out of four (27%) has less than basic education. Enrolment on higher levels of education increased, e.g. vocational training enrolment has expanded much faster than the MENA average. However, the education's quality has been criticised, and employment is struggling with a high incidence of under-education. Youth wellbeing is highly challenged on many fronts, including volunteer activity.

An evolution of the country's urbanisation rate was stalled during the last decade, and neighbouring countries have surpassed it. The Egyptian diaspora contributes an essential part of the economy through the inflow of remittances, which reached four times higher than foreign direct investments. During the 2010s, events changed the migration pattern; for example, Gulf countries introduced policies for tightening regular migration, and migrant workers moved to Egypt attracted by megaprojects. In addition, nearly 250,000 registered refugees live in Egypt - more than half of them Syrians granted working conditions.

The social protection system has nearly a comprehensive range of legal attention concerning relevant policy areas. However, the scope of pension insurance coverage gap widened among all workers during the 2010s. One out of two Egyptian had legal health coverage, which was low compared to other neighbouring countries and blighted by a relatively high private health out-of-pocket expenditure. Reshuffling the social protection subsidies schemes and tax system during the 2010s aimed at correcting market distortions, but it cost an upsurge in the poverty rate.

The table below presents key labour market indicators in the framework of the Decent Work Agenda (DWA) that are related to central unionism issues.

On the next page, Page iv, the second table presents an overview of the current value and targets of the Sustainable Development Goals indicators' in relation to the labour market issues.

Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Egypt

Creating decent jobs	
Policy reforms addressing creation of decent employment	Yes. Moving to a modern social spending system required scaling up the cash transfer programmes to those most in need. <i>Takaful</i> and <i>Karama (Solidarity and Dignity)</i> expanded from about 200,000 households to 2.4 million households, or 10 million people, in 2019.
ILO standard setting on improvement of status of workers from the informal economy	Decree No. 213 of 2003 issuing regulations on employment in the informal economy in Egypt. A tripartite National Informal Economy Forum has not yet been established in the framework of the ILO standard-setting on improvement of status of informal economy workers.
Guaranteeing rights at work	
Growth in trade union members (%)	N/a
Violations of trade union rights	Ranking 5 out of +5 and registered with weak guarantees of fundamental rights at work (5+ is worst). *
Labour legislation is improved according to ILO standards in recent years	The Labour Union Law from 2017 allowed trade union committees to handle (collective and individual) disputes relating to its members and to sign on CBAs. The law was further amended in 2019 concerning the requirements to form a trade union and liberalisation of unionism, but the text and enforcement involves bureaucratic difficulties. The consolidated pension and social insurance law no. 148 of 2019 extended social insurance protection to new groups, which are primarily non-regular and seasonal employees.
Trade unions organisations with minimum 30% women representation in decision-making bodies	N/a
Extending social protection	
Legal health coverage deficit, % of population without legal coverage	49%
Workers from the informal economy have access to national social security schemes	Law 135 established a minimum pension for all persons aged 65 or over who do not have another form of old-age support, regardless of whether they had participated in the pension scheme. Casual and informal workers are the least well protected and covered by social insurance scheme and difficult to reach for social insurance reforms in practice, which includes insufficient public finances to expand protection schemes.
Promoting social dialogue	
Trade union density of total employment (%)	11%
Cooperation in labour-employer relations	Scoring 46 out of 141 countries (1 is best). **
Number of Collective Bargaining Agreements (CBAs)	135 local CBAs from four governorates/states benefit from a bonus of 10% as per the agreement retrospectively and concluded in the period from November 2019 to January 2020 (see more in Appendix Table 24).
Workers' coverage of Collective Bargaining Agreements to employees	135 local CBAs from four governorates/states cover 47,190 workers (see more in Appendix Table 24).
Bi-/tri- partite agreements concluded	The latest wage hike to state servants was in July 2019 in the framework of the Civil Service Law No. 81/2016. Supreme Council for Community Dialogue issued recommendations on fighting the coronavirus pandemic to maintaining work progress in the private sector.
* While the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices (Source: ITUC, Global Rights Index).	
** This indicator is based on data from the Global Competitiveness Index that represents employers' opinion from surveys (Source: World Economic Forum) Sources: ILO and DTDA research.	

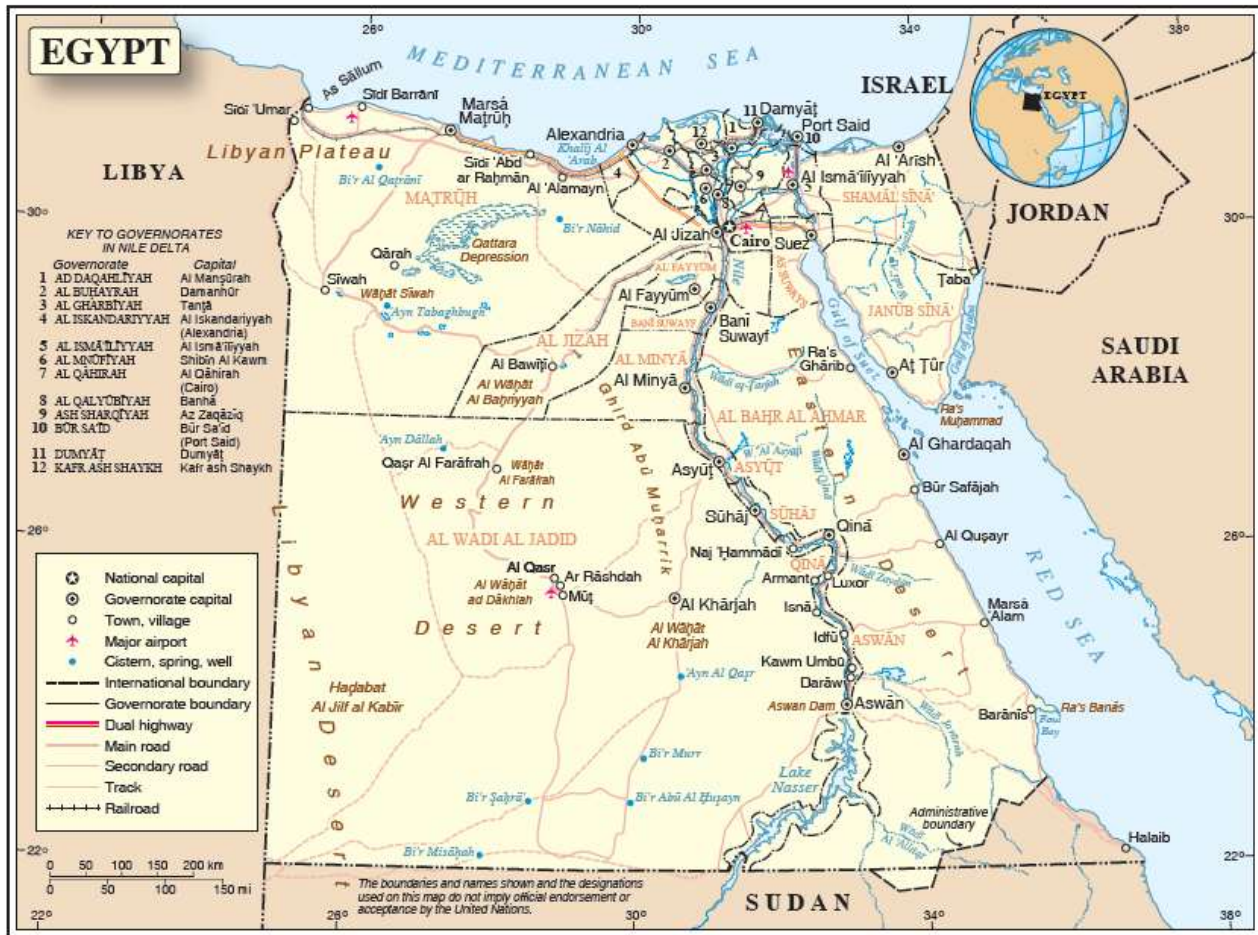
Status of key Sustainable Development Goals in labour market related issues in Egypt

Indicators	Value	Year	SDG Targets
1.1.1: Working poverty rate (percentage of employed living below US\$1.9 PPP)	0.4 %	2020	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
1.3.1: The population effectively covered by a social protection system, including social protection floors.	37 % *	2016	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
5.5.2: Women share of employment in managerial positions	6.4 %	2017	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.
8.2.1: Annual growth rate of real GDP per employed person (GDP constant 2011 international \$ in PPP)	3.1 %	2020	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation through a focus on high value-added and labour-intensive sectors
8.3.1: Proportion of informal employment in non-agriculture employment	52 %	2009	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, through access to financial services
8.3.1: Women	N/a	N/a	
8.3.1: Men	N/a	N/a	
8.5.1: Average hourly earnings of women and men employees	N/A	N/A	By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value
8.5.2: Unemployment rate (Total, 15+)	7.9 %	2019	
8.5.2: Women, 15+	21 %	2018	
8.5.2: Women, 15-24 years	38 %	2017	
8.5.2: Men, 15+	6.8 %	2018	
8.5.2: Men, 15-24 years	26 %	2017	
8.6.1: Proportion of youth (15-24 years) not in education, employment or training)	27 %	2017	By 2020, substantially reduce the proportion of youth not in employment, education or training
8.7.1: Proportion and number of children aged 5-17 years engaged in economic activity and household chores (Total)	4.8 %	2014	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025, end child labour in all its forms
8.7.1: Girls	3.7 %	2014	
8.7.1: Boys	5.8 %	2014	
8.8.1: Fatal occupational injuries per 100,000 workers	11	2015	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
8.8.1: Non-fatal occupational injuries per 100,000 workers	670	2016	
9.2.2: Manufacturing employment as a proportion of total employment	12 %	2017	Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.
10.4.1: Labour income share as a percent of GDP	35 %	2017	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

* Population covered by at least one social protection benefit (see more in Table 19).

Source: ILO, Key Indicators of the Labour Market (KILM) using data from national labour surveys and estimations/projections.

COUNTRY MAP



Source: United Nations, Department of Field Support

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ECONOMIC PERFORMANCE

Egypt is a lower-middle-income country and among the three largest economies on the continent, together with Nigeria and South Africa. In recent years, a wave of macroeconomic reforms backed stabilisation and the private sector participation. The government promoted a massive infrastructure development programme overhauling the ailing railway, water and energy, and transportation system, not to mention an ambitious construction project of building a new capital city is in progress that will locate five million people. The economy experienced an upturn during the 2010s.

According to the International Monetary Fund (IMF), Egypt is expected to be the only country with positive economic growth in the Middle East and Northern Africa (MENA) at around 2% in 2020, while Morocco, Tunisia, Jordan, and especially Lebanon, are struck by negative growth as an impact of the global Coronavirus pandemic. The government has attempted to boost the economy in 2020 by reducing the price of natural gas provided to industries, delaying due dates for property taxes on factories and tourist facilities, dipping the stamp tax on equities investments and halved the dividends tax rate for companies listed on the stock exchange to 5% to boost the stock market and give back 1% of employers monthly income in a new “corona” tax. The Central Bank of Egypt also cut key interest rates by 3%, which are the lowest since early 2016.

Gas extractives, tourism, wholesale and retail trade, real estate, and construction were the main drivers of growth.¹ The general government consumption expenditure fell from 12% of GDP in 2015 to 8.4% in 2018, which was part of drastic economic and social protection reforms, and at least ten percentage points lower than Northern Africa countries. Tax revenue at 13% of GDP was likewise significantly lower in comparison to other Northern Africa countries, e.g. 23% in Morocco and 21% in Tunisia.

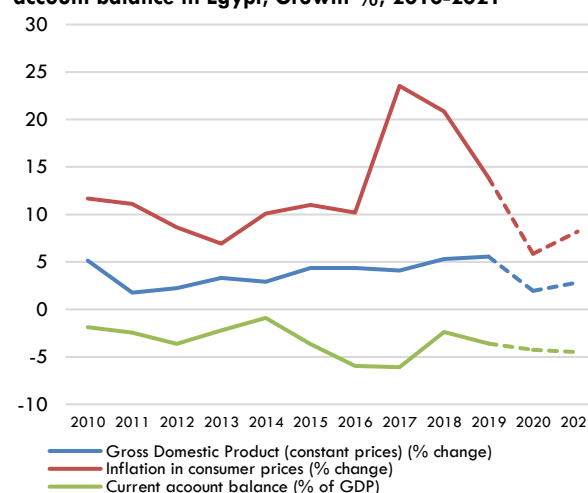
Table 1: General Economic Performance Key Facts in Egypt, 2019

GDP, Purchasing Power Parity, international dollars	US\$1,391 billion
GDP per capita, PPP (constant 2017 international \$)	US\$11,763
GDP per capita growth (2016-2019, average)	2.6 %
Tax revenue (% of GDP) (2015)	13 %
Government consumption expenditure (% of GDP) (2014-2018, average)	11 %

Sources: International Monetary Fund, World Economic Outlook Database and World Bank, World Development Indicators.

Figure 1 below visualises trends of central indicators. Especially the inflation in consumer prices has been quite high at around 10% and even climbed sharply in 2017-2018, as an impact of economic reform programmes, but getting under more control in 2020 (see more in Social Protection section). Although the inflation has cooled, the increasing food prices, especially for fruits and vegetables, kept the pressure high on workers income purchasing power and stymied real wage increases (see more in Working Conditions section).

Figure 1: Gross Domestic Product, inflation, and current account balance in Egypt, Growth %, 2010-2021



Sources: International Monetary Fund, World Economic Outlook Database.

Inequality in the distribution of family income measurement in the Gini index (i.e. 0 represents ideal equality, while 100 implies full inequality) has been on a rise in Egypt: from 28.3 in 2012 to 31.8 in 2017.² It is furthermore supported by the fact of a slump at the Human Development Index ranking 116 out of 189 countries, but remains at high human development level. Egypt’s Gini index’s value is still slightly better positioned than the neighbouring countries, e.g. 39.5 in Morocco and 32.8 in Tunisia.³

Based on estimations of employment by economic class, the number of extremely poor workers was rare, even moderately poor workers declined by 9 percentage points, reaching 11% in 2020. There was some progress towards middle-class workers (see more in Table 2). However, more than half of the population is economically inactive and excluded from these estimations. It explains the fact based on the broader poverty rate that suggests a rise during the 2010s: the percentage of Egyptians living below the poverty line increased from 28% in 2015 to 33% in 2019.⁴ This situation was an impact of the sharp increase in the cost of living (see more in Social Protection section).

Table 2: Estimation and projection of employment by economic class in Egypt, PPP, %, 2000-2020

Year	Extremely poor (<US\$1.9)	Moderately poor (>=US\$1.9 & <US\$3.2)	Near poor (>=US\$3.2 & <US\$5.5)	Middle class (>=US\$5.5)
2000	1.0 %	20 %	44 %	35 %
2010	1.2 %	19 %	47 %	33 %
2020	0.4 %	11 %	43 %	45 %

Note: Data in this table exclude the economically inactive population that cover around 53% of the population (age 15+).

Sources: ILO, Key Indicators of the Labour Market (KILM).

Gross fixed capital formation signals how much of the new value-added in the economy is invested rather than consumed. When the indicator's value increases, it points towards that economic activities are in progress, which could potentially support economic development and job creation. Data show that the gross fixed capital formation in Egypt fell from 19% of GDP in 2010 to 16% in 2018. The trend is similar in the MENA (excluding high-income) region average but hovering above by 6 percentage points (22% of GDP) in 2017.

Foreign Direct Investment (FDI) measures the net inflows of investment to acquire a lasting management interest in an enterprise, operating in an economy rather than of the investor. During the last decade, FDI on average was 1.9% of GDP in Egypt, especially on the rise in recent years. It was slightly higher than the MENA (excluding high income) average of 1.1% in the last decade. In contrast, personal remittances were significantly higher in Egypt at 6.4% of GDP on average from 2010 to 2018. The latter was mostly supporting consumption rather than investments in management interests (see more in Migration sub-section). FDI had drawbacks from the adverse economic and political environment in the last decade, and the current account's position would be much weaker in the absence of remittance flows.

The Doing Business index, which is an indication of the business environment and regulatory burden for starting and operating of a local firm, is ranking Egypt at 90 out of 190 countries in 2020 (see Appendix Table 20). Out of ten indicators, the country's highest-ranking was on Protecting Minority Investors (57) followed by Getting Credit (67). The country scores lowest on Trading Across Borders (171), Enforcing Contracts (166), and Paying Taxes (156). It is worthwhile to mention that this index provides a snapshot of the cost of complying with formal regulations for companies that are not small enough to loophole the law or large enough to curve it, according to media.⁵

Free Zones

Egypt operated with public and private trade free zones since the 1970s. Currently, the country operates with 10 public free zones (since 1977), 15 Qualified Industrial Zones (QIZs) (since 2005) and 2 Special Economic Zones (SEZs) with a wide range of different sectoral aspects.⁶ These free zone programmes are relatively well developed and contributed to a significant positive impact on economic growth and investment opportunities. Free zones offered 200,000 jobs in 2018, which equalled 1.1% of employees. The schemes exported a value of US\$14.7 billion from January to September 30, 2018: commodity exports recorded US\$8.3 billion, while service exports reached US\$6.4 billion. The number of projects operating in free zones reached 1,102 projects, of which 898 are in the public free zones, and 204 others in the private free zones. In addition, the capital of these projects amounted to US\$11.4 billion, and US\$2.15 billion of foreign direct investment.⁷

Free zones in Egypt are considered a particular investment system governed by the provisions of Investment Law No. 72 of 2017 and its Executive Regulations, which the General Authority oversees enforcement for Investment and Free Zones (GAFI). Some of the central benefits in these zones are the free transfer of invested capital and profits abroad (complete exemption from private and corporate income taxes), low land rental and utility rates, free pricing of products and profit margin, providing foreign investors with residency facilities, and granting foreign workers residence permits as requested by the project, among others.

The provisions of the 2002 Special Economic Zones Law exempted investment companies from legal provisions on the right to organise. Reports show that many labour regulations were poorly enforced, and anti-union acts were rife. Trade union activists faced harassment, intimidation and administrative penalties in their efforts to organise workers.⁸ Other information shows that there were only two enterprise-level unions in the industrial zone of Sadat City, a Special Economic Zone where 50,000 workers were employed in 200 enterprises. The low trade union presence was a negative impact to entice capital investment in such zones. On the other hand, at least 12 new unions were created in the aftermath of the 2011 Arab Spring. According to a study, such apparent successes did not mean the system became eager to adjust to workers newfound empowerment.⁹ Private employers in Egypt's SEZs continue to show very little respect for labour rights. For

example, most workers in the Tenth of Ramadan City zone have been forced to sign letters of resignation before beginning employment so that they can be fired at the employers' convenience. Working conditions are with long hours, low pay along with poor safety standards. Restrictions on collective bargaining and the ban on strikes in 2011 challenged labour activists during the 2010s.¹⁰

A bipartite agreement on strengthening social dialogue in the free zone of Port Said was signed by the Egyptian Democratic Labour Congress (EDLC) and the Port Said Investor's Association in March 2014. It was considered as an important step in facilitating respect for freedom of association, according to the Bureau for Working Activities.¹¹ During 2015, the government reviewed terms controlling the work of these private free zones and the application of new controls for their work. There is no news available on the impact of this review.

One of the first instances of Chinese involvement in the establishment of SEZs in Africa was in 1999 when the country signed an agreement with Egypt to develop an industrial zone in the Suez Canal area. Studies argued that despite the 'Chinese model' attracted FDI, it also, to some extent, undermined Egypt's domestic production, as means for Chinese companies to bypass Egypt's labour legislation has existed.¹²

The Russian Federation and Egypt also signed an agreement in March 2018 to build the Russian Industrial Zone in the Suez Canal Economic Zone in Egypt. This US\$7 billion investment is based on three phases and driven by a Russian industrial developer. This project is expected to be finalised by 2031, projected to provide 35,000 direct and indirect jobs in Egypt.¹³

NATIONAL LABOUR LEGISLATION

Labour legislation in Egypt is complex. ILO listed 576 national labour-related legislation per May 2019, and several law reforms were launched in recent years (see Appendix Table 21). Reform of Trade Union Law, Social Insurance and Pensions Law, Practising Domestic Work Law, and Granting Allowances to Persons Addressed to the Civil Service Law were some of the leading approved legislation in 2019. The status of core laws governing the labour relations in the country is summarised below.

Constitution

The reformed Egyptian constitution was passed in a referendum in January 2014. The constitution has been assessed as less ambiguous than the previous constitution,

including protecting the right to social security, employment opportunities, collective bargaining, safeguards against punitive sackings of workers, and punitive dissolutions of labour organisations. The constitution also outlines the right to establish trade unions. However, several reservations of the constitution have been noted. First, a controversial amendment was scrapping of the '50% quota' for representatives of workers and farmers in both houses of parliament. It was related to the Supreme Constitutional Court of Egypt (SCCE) declared the lower house of parliament dissolved and established a unicameral parliament. Second, forced labour is still stipulated in the national constitution. Third, "public and vital facilities" under military jurisdiction was set for two years, paving the way for further military trials of civilians. Fourth, vague provision stipulates that unions may not be established within governmental bodies. Finally, not more than one professional syndicate may be established for each profession. It is a violation of ILO Conventions 87 and 98, guaranteeing employees the right to establish any professional organization, union, or syndicate for all legally recognised professions (see more in Ratified ILO Conventions sub-section).¹⁴

The Egyptian House of Representative passed several amendments to Egypt's 2014 constitution in April 2019. Several aspects have criticised this reform: crackdown on stakeholders with the critical views of the government, undermining judicial and prosecutorial independence, and expand military interference in civilian affairs.¹⁵

Labour Act

The Labour Act of 2003 regulates vocational training and guidance; occupational safety, health and the work environment; and individual labour relations such as working hours and wages. It also sets collective bargaining, collective labour relations, labour disputes, and the right to strike. It furthermore establishes the Consultative Council and the labour inspectorate.

The act emphasises that wage discrimination based on sex, race, religion, or creed are strictly prohibited. It excludes agricultural, fisheries workers, and domestic workers concerning wages, hours, and working conditions.

The labour bill lacked clarity and flexibility in termination procedures, overtime compensation, and transfer of employees. The government launched a revised draft labour bill in August 2015 to find a balanced relationship between the rights and duties of employees and employers. It aims to improve the country's existing legislation, e.g. softening the use contractual aspects and

generally addressing abusive manner practiced in the private sector (see more in Appendix Table 22). Employers receive limitations in the employment relationship. Likewise, the International Labour Organisation's (ILO) Committee of Experts on the Application of Conventions and Recommendations (CEACR) has observed several aspects of the draft bill with some glitches to some of the fundamental conventions (see ahead). The draft bill is still not approved by the parliament.

Trade Union Law

Trade Union Law by the number 35 of 1976 governed unionism. It was reformed by Law No. 213 of 2017 on promulgating the Trade Union Law. It covers freedom of association, collective bargaining, and industrial relations. The new law was criticised by national independent trade unions and at the international level, especially regarding the fact that trade unions were compelled to use restrictive forms to receive their recognised legal status to allow an unionism independency beyond the long-entrenched ETUF monopoly (see more in Ratification ILO Conventions sub-section).¹⁶ In this aftermath, the government approved several amended articles in the new Law No. 142 from August 2019.¹⁷

The reformed new law allows trade unions to present their lists and their statutes through their assemblies. It enables them to hold free elections with no intervention from the administration or a high-level representation. Labour associations are classified into three categories: shop-floor committees, trade unions (general unions), and trade union federations. A shop floor committee represents workers from one facility or geographical area, the congress of several committees constitutes a trade union, and trade unions make up a trade federation. Some changes focus on to reduce the minimum of workers required for the formation of trade union organisations, and the abolition of penalties for imprisonment. First, reducing the number of workers required to form a trade union committee to 50 instead of 150. Workers will be allowed to join forces with workers in other professions or crafts. And, reducing the number of union committees required to form a general union to 10 committees instead of 15. Likewise, the number of general unions required to form federation reduced to 7 general unions instead of 10 general unions. The number of workers required to form the general union dropped to 15,000 instead of 20,000, and the number of workers required to form a federation reduced to 150,000 instead of 200,000. Second, the abolition of penalties of imprisonment contained in the

law, where the new law includes some of the penalties for imprisonment, which was amended by the government to include only fines.¹⁸ A committee is also being set up to look at complaints relating to freedom of association and resolve those.

The new bill additionally took some other steps towards the liberalisation of unionism in the country. First, trade unions are acknowledged to set its articles of association, adopt its internal administrative and financial regulations, freely elect its representatives and to organise its affairs independently from the public authorities. Second, union committees can handle (collective and individual) disputes relating to its members and to sign on collective bargaining agreements (CBAs). Third, if the number of the members of the board of directors in any trade union became less than half, the general assembly of the organisation shall be invited within fifteen days to conduct supplementary elections.¹⁹ It is too early to estimate the impact of these improved regulations in practice.

Social Insurance and Pension Law

Social Insurance and Pension Law (no. 148) of 2019 was in effect from January 1, 2020. The new unified law replaced laws no. 79 of 1975, no. 108 of 1976, no. 50 of 1978 and no. 112 of 1980. The bill covers insurance and pension beneficiaries, including 10 categories covered for the first time, such as temporary and seasonal workers, housekeepers, small-scale agricultural tenants, and property owners (i.e. groups that are primarily non-regular and seasonal employees). Subscription amounts have changed. Retirement age for employees and Egyptians working abroad at sixty years old shall gradually reach sixty-five years old by 2040 (see more in Social Protection section).

The law introduces unemployment insurance as a new privilege for those who become unemployed during their coverage period if they have contributed to the social insurance system for at least one year.

Observations on labour legislation

The government enforcement of applicable labour laws has been noted as inconsistent: the complex labour legislation has flaws of the international standards concerning the rights of freedom of association, the rights of collective bargaining, and the rights of strike. The International Trade Union Confederation (ITUC) registered following issues:²⁰

- Restrictions on workers' right to form and join organisations of their own choosing.
- Restrictions on trade unions' right to organise their administration.
- Restrictions on the principle of free and voluntary bargaining.
- Undermining of the recourse to collective bargaining and its effectiveness.
- Limitations or ban on collective bargaining in certain sectors.
- Barriers to lawful strike actions.
- Undue interference by authorities or employers during a strike.
- Undermining of the recourse to strike actions or their effectiveness.
- Limitations or ban on strikes in certain sectors, e.g. undue restrictions for "public servants", and discretionary determination or excessively long list of "essential services" in which the right to strike is prohibited or severely restricted.

Ratified ILO Conventions

Regarding Egypt's ratification of international labour standards, 64 ILO Conventions are ratified, of which 62 are in force, no Convention has been denounced, 2 instruments abrogated; none have been ratified in the past 12 months (see also Appendix Table 23).²¹ The latest ratified convention was the Repatriation of Seafarers (C166) from May 2004.

The eight Fundamental Conventions are the most important conventions that cover four fundamental principles and rights at work. Egypt has ratified all of them.

ILO has designated four Governance Conventions that are important to build national institutions and capacities that serve to promote employment, i.e. these conventions encourage a well-regulated and well-functioning labour market. The country has ratified 3 out of 4 of these Governance Conventions - the one not ratified is the Employment Policy Convention, 1964 (C122).

ILO has furthermore 178 Technical Conventions, out of which 83 conventions are "Up-To-Date" and actively promoted, i.e. an Up-To-Date Convention is one that is ready for ratification by the Member States and one that has been examined by the ILO Governing Body and deemed to be still relevant.²² Egypt has to date ratified 53 of the Technical Conventions, and 15 are Up-to-Date (see more details in Appendix Table 23).

The Committee of Experts on the Application of Conventions and Recommendations (CEACR) in ILO had a wide range of direct requests to 15 conventions, which includes that the national legislation did not give effect to several requirements of some conventions. Several conventions lacked new adopted legislative measures.

In June 2019, CEACR discussed the country's failure to meet the terms of Convention 87 concerning the Freedom of Association and Protection of the Right to Organize. The committee considered the minimum threshold of workers required to form an enterprise union appeared to restrict workers' freedom of association since 90% of all economic activity in the country is conducted in small and medium enterprises with fewer than 50 employees. The committee also noted that the high threshold requirements for general unions and confederations guaranteed the government-sponsored confederation a de facto monopoly.²³

CEACR also had observations of issues on Egypt's labour legislation to the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) that required adequate protection against anti-union discrimination and interference. Promotion of collective bargaining was raised since the new draft Labour Code has eliminated any references to the role of higher-level organisations in the negotiation process of lower-level organisations. Although the government attempts to provide for optional arbitration based on the will and desire of both parties without any coercion, CEACR requested information on any further developments in the draft labour bill and to supply a copy as soon as it has been adopted. Finally, collective bargaining for public servants not engaged in the administration of the state has some flaws to this convention.²⁴

During the last two decades, the country has been blacklisted and revoked by CEACR several times. For example, since the draft Trade Union bill was not approved, the country was blacklisted by CEACR in 2013. The country was released from the blacklist in 2018 because of the implementation of union elections. It was not until 2018, that the status of legal personality of independent unions was acknowledged (see Trade Union sub-section). The country was again blacklisted by CEACR in June 2019 since the Trade Union Law from 2017 imposed difficult conditions on workers' freedom of association. The Egyptian government responded by issuing amendments to the law.

Trade Agreements

Trade agreements regulate international trade between two or more nations. Such an agreement may cover all imports and exports, specific categories of goods, or a single type. A trade agreement is an opportunity to open another part of the world to domestic producers. Generally, trade agreements, including labour provisions, are on the rise but remains a minority and becoming progressively accepted.

Egypt has been a member of the World Trade Organisation (WTO) since June 1995 and a member of the General Agreement on Tariffs and Trade (GATT) since May 1970. This institution aims to liberalise trade, to create an organisation to administer more liberal trade agreements, and to establish a mechanism for resolving trade disputes. Regarding dispute cases involving Egypt: none as the complaint, 4 cases as respondent, and 33 as the third party.²⁵ Report for the WTO General Council Review of the Trade Policies of Egypt from 2018 revealed violations and restrictions on the right to freedom of association and the right to collective bargaining, discrimination, forced labour, child labour and the lack of the rule of law.²⁶

According to the national General Authority for Investment (GAFI), Egypt is involved in several multilateral trade agreements:²⁷

- Pan Arab Free Trade Agreement/ Greater Arab Free Trade Agreement (GAFTA).
- Common Market for Eastern and Southern Africa (COMESA).
- Agadir Free Trade Agreement.
- Egypt-European Union (EU) Association Agreement.
- Egypt-EFTA Free Trade Agreement.
- Qualified Industrial Zones (QIZ) (see Economic Performance section).
- Egypt Turkey Free Trade Agreement.
- Egypt-MERCOSUR Free Trade Agreement.

Egypt has also signed several bilateral agreements with Arab Countries: Jordan (1999), Lebanon (1999), Libya (1991), Morocco (1999), Syria (1991), and Tunisia (1999). Additionally, in 1995, Egypt and China entered a trade accord. Egypt also signed an economic treaty with Russia. The country likewise operates with a bilateral trade agreement with Singapore.

The EU-Egypt Association Agreement has been in force since 2004. It creates a free-trade area between the EU and Egypt by removing tariffs on industrial products and making agricultural products easier to trade. The Agadir

Agreement and GAFTA are interwoven to the EU Association Agreement for relation on trade between Egypt and the EU. Another agreement on agricultural, processed agricultural and fisheries products entered into force on June 1, 2010. The EU and Egypt began talks about a Deep and Comprehensive Free Trade Agreement in June 2013. Negotiations on trade in services are currently on hold. Nevertheless, promoting exports from Egypt to the EU relies on compliance with the EU and international standards. Compliance remains one of the significant barriers hindering exports promotion in Egypt, especially to small and medium enterprises, which usually have difficulties accessing the information and complying with norms and standards (see also Workforce section).²⁸

Egypt signed the United States' Generalised System of Preferences (GSP) programme. It operates with unilateral trade benefits from the United States' government, allowing duty and quota-free access for some product. Benefiting from both the GSP programme and GIZs cover around US\$1 billion in 2018, which is around 13% of total United States' import from Egypt. During discussions in April 2019, the United States – Egypt Trade and Investment Council discussed needed Egyptian labour reforms and implementation of the WTO Trade Facilitation Agreement, among others.²⁹

Tripartite Free Trade Area (TFTA) is part of an economic integration plan to interconnect the COMESA, the East African Community (EAC), and the Southern African Development Community (SADC) into a single free trade area. This initiative establishes a framework for preferential tariffs to ease the movement of goods and people in the region. The TFTA was launched in June 2015 and signed by 26 countries covered by the deal. Tunisia, Somalia, and South Sudan have since joined the configuration, bringing the total membership to 29 countries out of Africa's 54 states. So far, eight countries, including Egypt, have ratified the TFTA. Some issues remain in the new arrangements, though. For example, within FTAs trade is governed by rules of origin that ensure that only goods produced in the region, benefit from the preferential trading arrangement. Besides, trade in the TFTA will always be limited if production and trade in industrial products remain low in the region.

SOCIAL PARTNERS

Social partners are central actors when it comes to promote the realisation of core labour rights and social justice for workers by protecting freedom of association, collective bargaining, and strike action. The government,

trade unions, and employers' organisations have representation as social partners.

Government

The central governmental institutions in the field of employment are the Ministry of Manpower and Migration, the Ministry of Industry and Trade, the Social Fund for Development, and the Ministry of Education.

Ministry of Manpower and Migration (MoMM)

The MoMM is in charge of manpower, labour relations and emigration of Egyptian workers. The ministry oversees and monitors collective negotiations and agreements as well as managing 27 vocational training centres focusing on school dropouts and illiterates, and 10 mobile training centres across the whole country (see more in Education section). The MoMM has offices in each governorate (a ministry representative at the governorate level, with labour inspectors). This ministry has been challenged by insufficient resources and staff.³⁰

Ministry of Industry and Trade

Ministry of Industry and Trade aims to provide an adequate environment for a sustainable and inclusive economy based on enhancing competitiveness, diversity, knowledge, innovation, and generating decent and productive job opportunities. Some of the main goals are to increase the micro, small and medium enterprises sector's contribution to GDP and provide 3 million decent and productive job opportunities. The Ministry furthermore manages industrial training centres and host some Technical and Vocational Education and Training (TVET) programmes.

Social Fund for Development

Social Fund for Development (SFD) occupies a position as the implementer of many employment-related programmes. Its management board includes representatives from government, the private sector and civil society, and it has 27 regional offices in all governorates. The Fund has a focus on the creation of new enterprises and the growth of micro and small enterprises in Egypt.

Ministry of Education

The Ministry of Education (MoE) is the primary education provider, accounting for over three-quarter of all students in Egypt. It places a central role in supporting the transition from education-to-work (see more in Education section).

Trade Unions

Although Egypt's Constitution provided for freedom of association, the Trade Union Law from 1976 was criticised during decades and trade union affairs turned into a much broader political struggle. The reformed Trade Union Law in recent years open for a better framework of unionism in the country.

In the aftermath of the 2011 Arab Spring, the government initiated a temporary loophole of Trade Union Law to acknowledge the right to establish independent trade unions by submitting the documents to the MoMM. The ministry scripted in the draft bill to allow trade union pluralism and many new trade unions were registered in the 2010s. According to the new Trade Union Law, union elections are set up every four years and imposes a strict hierarchy for union formation consisting of a company-level trade union committee, a profession, or industry-level general union, and a national-level union.

Labour union elections for the period from 2018 to 2022 were launched in May 2018 that allowed for the formal creation of independent unions. Independent trade unions criticised the process and challenged by bureaucratic obstacles to free and fair elections, e.g. challenged by complexed registration procedures and complications of their right to draft bylaws. MoMM even delayed responding to unions' applications for legal status, leaving many in legal limbo. It pushed many independent trade unions to join the state-affiliated ETUF.

In 2017, around 1,800 trade unions were established at the enterprise-level, in addition to 63 general trade unions and 24 trade union federations that did not belong to the ETUF. A result of the abovementioned labour union elections in 2018 was almost 1,500 new trade union committees were registered of legal status, and 145 of those were independent unions. Other data from independent unions argued just 108 of independent trade union committees managed to register. New registered trade unions are especially in the health, legal and transport sectors.³¹ In 2019, MoMM registered 2,500 trade union committees (enterprise-level) and 29 general trade union (federation level) (see also Table 3). Still affiliation to independent trade union organisations struggles with bureaucratic hurdles and only few of them have been successfully registered, so far.

Official data of the trade union membership rate are scarce. Around 2.9 million are organised workers in unionism and the trade union density of employment was 11% (15% among employees) in 2019, which was

relatively high in comparison with other countries in Africa (Table 3).³²

Table 3: Trade union facts in Egypt, 2019

Number of trade union confederation	1
Number of trade union (federation level)	29
Number of trade union committees (enterprise level)	2,500
Members of trade unions	2,920,000 *
Trade union density (employment)	11 %
Trade union density (employees)	15 %

* Aggregate members from ETUF, EFITU, and EDLC (see also Table 4).

Source: Ministry of Manpower and Migration and own calculations on trade union density using data from ILO's databank.

Although ETUF has lost members during the last decade, it remains the largest organisation constituting a share of 86% of total unionism rate (Table 4). The Egyptian Federation of Independent Trade Unions (EFITU) and the Egyptian Democratic Labour Congress (EDLC) have also experienced a downturn in the membership rate because of the bureaucratic hurdles of union elections (see ahead).

Table 4: Central Trade Union Organisations in Egypt, 2019

Trade Union Centre	Total Members	Share of total members
ETUF	2,500,000	86 %
EFITU	300,000	10 %
EDLC	120,000	4 %

Source: arab.org and ITUC, List of Affiliated Organisations, 2019.

Another aspect that challenged the independent trade union movement during decades was the prohibition of the establishment of more than one trade union federation system. It negatively affected collecting dues from independent members, who formally were required to contribute to ETUF. The amended Trade Union Law from 2019 eased restrictions on trade unions, which includes trade unions to determine their structure and by-laws, remove control by the ETUF, and end restrictions on the elections of the trade unions. It is uncertain if the reform could affect ETUF's role in the coming years, but so far, the bureaucratic restrictions keep the situation stalled.

The status of the central trade union organisations in Egypt is summarised below.

Egyptian Trade Union Federation (ETUF)

ETUF was established in 1957 and recognised as the only trade union confederation in Egypt with affiliated trade unions. Until 2011, all unions other than the ETUF were banned. Currently, ETUF represents around 2.5 million workers, the largest bulk of this membership is from the

public sector.³³ The organisation is affiliated with the International Confederation of Arab Trade Unions and the Organization of African Trade Union Unity. The confederation also has the intention to decrease illegal migration to protect migrants by providing them with employment. Members' contributions are monthly subtracted from workers' salaries by the employers, and the state had subsidised the federation.

The federation owns several educational institutions, including the Labour University, the Labour Culture Institution, the Egyptian Private School, Al-Moaasa Social and Sports Club and Dream Resort along Egypt's North Coast. It was also heavily controlled by the National Democratic Party (NDP). ETUF chairman is the head of labour committee in the parliament.

Egyptian Federation of Independent Trade Unions (EFITU)

The EFITU was founded in 2011 and aimed to establish an independent federation of trade unions. It was brought together by four independent organisations: Real Estate Taxes Authority Union (RETA), Independent Healthcare Technician (IHT), Independent Pension Holders Union (IPHU), and Independent School Teachers' Trade Union (ISTT). These organisations received assistance from the Centre for Trade Union and Workers Services (CTUWS). It has become affiliated to the International Trade Union Confederation (ITUC).

EFITU was financed through private donations and operated with limited financial resources, but with some improvements on a case-by-case basis concerning the collection of dues through salary deductions at their respective workplaces, including some governmental agencies.

ITUC's List of Affiliated Organisations recorded the EFITU membership rate of 300,000 in 2019 others suggest it is down to 15,000 members.

Egyptian Democratic Labour Federation (EDLC)

CTUWS played an instrumental part in the establishment of EFITU, but a conflict between them started the formation of EDLC as a parallel organisation. This organisation aimed to build a federation based on strong grassroots and a loose structure, mostly affiliated private sector trade unions. EDLC held its first congress in April 2013. It changed the name to the Egyptian Democratic Labour Federation but kept the acronym EDLC for daily use.³⁴ It is affiliated to Arab Trade Union Confederation.

ITUC's List of Affiliated Organisations recorded the EDLC membership rate to be 120,000 in 2019. Other sources suggest it is down to 40,000 members.

Employers' organisations

Employers represent around 11% of the total employment in Egypt (see more in Figure 5 ahead). This share is 4 percentage points higher than the Northern Africa average that was estimated at 7.0%.

The Global Competitiveness Index provides a view on a wide range of facets, including the labour market efficiency. The latter aspect is elaborated upon surveys among employers in the country and other statistical data. Egypt was ranked 126 out of 141 countries (1 is best) in 2019 (see Table 5). Out of the 12 labour market efficiency indicators, the best scorings are in flexibility of wage determination (14), cooperation in labour-employer relations (46), ease of hiring foreign labour (46), and internal labour mobility (46). Worst rankings are redundancy costs (131), the ratio of wage and salaried women workers to male workers (131), and the labour tax rate (121).

Table 5: Employers' view of the labour market efficiency in Egypt, 2019

Labour market indicators	Rank *
Labour market efficiency	126
Redundancy costs (weeks of salary)	131
Hiring and firing practice	63
Cooperation in labour-employer relations	46
Flexibility of wage determination	14
Active labour policies	107
Workers' rights	104
Ease of hiring foreign labour	46
Internal labour mobility	46
Reliance on professional management	91
Pay and productivity	58
Ratio of wage and salaried women workers to men workers	131
Labour tax rate	121

* Rank from 1 to 141 (1 is best).

Source: The Global Competitiveness Report, 2019, 8th pillar: Labour market efficiency.

The ranking in cooperation in labour-employment relations climbed significantly since 2016/17 where it was set at 96 out of 138 countries. Generally, employers have expressed their interest in the development of social dialogue. Among others, the employers' representation in the ILO's International Labour Conference in 2019 expressed their concerns of the Trade Union Law regarding its compatibility with the government's obligations under the ILO Conventions C87

and C98. Amendments to the Trade Unions Law faced considerable opposition from legislators with business interests. Critics argued that easing the formation of trade unions would not serve the interests of employers.³⁵

Just as mandatory affiliation to ETUF in the trade union movement, employers' organisations must register to one sole federation, i.e. affiliation to Federation of Egyptian Industries (FEI). There are other independent employers' organisations such as the Federation of Egyptian Chambers of Commerce (FEDCOC). These other independent employers' organisations faced similar challenges as the independent trade unions, including legal impediments. On the positive side, the Federation of Egyptian Industries and Chambers of Industry Law no. 70 of 2019 established the FEI as an independent agency and allowed more self-governance; encourages private sector companies to join the federation.

In recent years, a collaboration between the employers' organisations has been in progress. For example, in 2020, FEDCOC coordinated with FEI to encourage producers and importers to provide initiatives to meet the needs of the Egyptian market at discounted prices. In addition, the Ministry of Public Enterprise Sector signed two cooperation protocols with FEDCOC and FEI to digitally promote products. It is part of a digital transformation plan and cooperation with the private sector. It aims to help companies operating in the Egyptian market to display and sell their products through a digital platform.

Federation of Egyptian Industries (FEI)

FEI was established by Law no. 73 from 1947 as a federation for the industrial chambers. The organisation is one of the largest employers' association in Egypt, with 19 active industrial chambers as members, representing over 60,000 industrial enterprises out of which more than 90% belong to the private sector, accounting for more than 7 million workers.³⁶ The federation is a member of the International Organisation of Employers (IOE).³⁷

Since its inception, FEI carried out its responsibilities to defend and support Egyptian industries as well as contributing to their sustainable development. The organization advocates the common interests of its members and defends their positions towards governmental and legislative bodies, as well as other local and international associations.

Federation of Egyptian Chambers of Commerce (FEDCOC)

FEDCOC is tracked back to 1933, where the first legislative regulation of the chambers of commerce was issued. The federation is a coordinating body for the efforts of all chambers of commerce and businessmen's organisations. And, it has a legal personality as the legal representative of the chambers of commerce, and all organisations with the public authorities and foreign regional or international organisations.³⁸

FEDCOC plays a role to support economic and social development as the official representative of all Egyptian business organisations. It participates to commercial arbitration work in line with the Labour Act framework, not to mention forming a local committee in collaboration of the International Chamber of Commerce in Paris and participate in economic and trade decisions with the competent authorities and authorities. This federation is furthermore active in organising trade delegations, external promotional missions, signing bilateral agreements, and setting up joint business councils with many countries.

SOCIAL DIALOGUE

Some of the central social dialogue in Egypt is reflected in collective negotiation. By law, it is allowed between trade union organisations and private sector employers or their organisations. MoMM oversees and monitors collective negotiations and agreements. Albeit collective bargaining is technically not permitted in the public sector, it exists in practice. The government often intervenes to limit or manage collective bargaining negotiations in all sectors.³⁹ Organised workers from the independent trade unions have been challenged by settling disputes through bargaining since they were just recently, in 2018, started to become legally recognised, e.g. forming the Supreme Council for Community Dialogue (see ahead). This situation triggered a tendency for organised workers to resort to protests and strikes.

The government sets wages and benefits for all public-sector employees. Labour regulations did not provide for enterprise-level collective bargaining in the private sector. It required centralised tripartite negotiations that included organised workers, represented by a union affiliated with ETUF, business owners, and the MoMM overseeing and monitoring negotiations and agreements.⁴⁰ Nevertheless, the new Labour Union Law allows trade union committees to handle (collective and individual) disputes relating to its members and to sign on CBAs. Under the former

Labour Union Law, signing CBAs required signatures of the representatives of the general labour union.

In the private sector, employers are known to avoid collective bargaining often, and fail to respect government decisions on the minimum wage, social security, among others. The absence of a *bona fide* (i.e. in good faith) makes it difficult for organised workers to settle disputes through bargaining; hence, there is a tendency for them to resort to protests and strikes.⁴¹

During the last four years, a major topic for the tripartite collective negotiations in Egypt was the draft Labour Act. This bill included articles about the establishment of mediation centre with a focus on labour conflict resolution as well as a supreme council for social dialogue (different from the current supreme council of community dialogue). These negotiations were mainly in 2016. The bill has not yet been passed in the parliament. The bill is controversial, especially concerning the relation between worker and employer as of contracting and termination of employment.

The MoMM did not publish official data on their website concerning CBAs. Research registered the conclusion of CBAs in four regional governorates and several companies in 2019/2020 (Appendix Table 24). All the local regional governorates' CBAs were follow-up/enforcement procedure of a framework agreement between the MoMM and the Egyptian Federation of Investors' Association regarding the 10% bonus retrospectively.

It is worthwhile to mention that that other multi-stakeholder engagement is present in Egypt concerning follow-up upon the Sustainable Development Goals (SDGs). However, engaging employers' and workers' organisations in the design or preparation phases of the voluntary national reviews or actions to achieve the SDGs is scarce.⁴² In recent years, activities were implemented to develop the social dialogue policies and strategies as well as social dialogue conferences aimed at an action plan and national strategy for strengthening social dialogue and promoting decent work agenda in Egypt. In April 2018, the Egyptian cabinet issued a decree to set up the Supreme Council for Community Dialogue (see ahead). On the positive side, it has expressed some progress on the tripartite social dialogue on behalf of the government. On the negative side, independent trade unions have claimed that they have been challenged by genuine social dialogue void.

Status of the central institutions operating in social dialogue and industrial relations are summarised below.

Supreme Council for Community Dialogue (SCCD)

The Egyptian cabinet issued a decree to set up the SCCD in April 2018 and represents 24 members (12 from the government (managed and coordinated by the MoMM), six business organisations, and six chairmen or members of the board of directors of trade unions). The council aims to contribute to national policies on societal dialogue on labour affairs. It includes to conduct economic and social studies and offer advice on bills concerning the workforce, labour unions as well as international labour agreements. The body will furthermore oversee settling collective labour disputes and introducing measures to back economic projects that offer job opportunities.

The government has accepted for independent trade unions to participate in any labour events, activities as well as any meetings tackling relevant national plans. However, the bureaucracy's red-tape still hurdles the independents trade unions' involvement in practice.

There are few traces of SCCD active contribution to social dialogue over the last two years. Away from approving the amendments to the Trade Union Law and setting a minimum wage for private-sector workers, the Council did not engage in other discussions until the global coronavirus pandemic, where the Council issued 12 recommendations on March 18, 2020, on fighting this virus and maintaining work progress in the private sector.

Civil Service Council (CSC)

The CSC has an advisory role on various issues related to the Civil Service, and each public department set human resources committees. The council and the human resources committees, composed mainly of representatives of the administration, include a trade union representative whose appointment is primarily the responsibility of the ETUF.

National Wages Council (NWC)

The government sets wages, benefits and job classifications for the public sector and government employees; application of the announcement on the private sector workers' wages is not clear (see more in Working Conditions section).

The council held its first meeting in November 2019 after the period of inactivity that lasted for 6 years. The NWC members discussed in this meeting the unemployment rates and indicators and inflation rate. In addition, the

NWC assigned a committee to investigate proposals for minimum wage. In January 2020, the council's second meeting resulted in four recommendation in relation to decreasing the cost of transforming into formal sector, encouraging SMEs and promoting processing industries and job-creating sectors. Furthermore, in May 2020, the Ministry of Planning, which is heading the NWC, introduced to the parliament a proposal of the monthly minimum wage for private sector at EGP2,000 "including taxes and insurance" and EGP 12 per working hour (see more in Working Conditions).

Labour Mediation and Arbitration Institutions

In the process of solving labour disputes, two parties are required to enter 30 days of negotiation based on an elected neutral mediator to help them resolve their differences. If mediation fails, either party may request arbitration (i.e. usually the last step under a collective-bargaining agreement after all other measures to achieve a settlement have been exhausted). An arbitration panel is made up of a judge from the court of appeal, the ministry, employers, and the trade unions (the latter appointed by the ETUF).

Strike and lockout are allowed but must not be conducted when collective bargaining is in force. The government occasionally arrests striking workers and rarely reversed arbitrary dismissals. The government seldom followed the requirement for tripartite negotiations in collective disputes, leaving workers to negotiate directly with employers, typically after resorting to a strike.⁴³ The MoMM registered 193 labour protests in 2019.

TRADE UNION RIGHTS VIOLATIONS

Egypt remains a dangerous place for trade unionists, as the authority still seek to quash any attempt at organising an independent labour movement. This situation is expressed in the country's ranking 5 on Global Rights Index (+5 is the worst rating). Countries with a ranking of 5 are the "worst countries in the world to work in", according to ITUC. While the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices.⁴⁴

All independent unions were dissolved in March 2018 and given 60 days to reregister their organisation based on new arbitrary requirements established in Law no. 213/2017 on Trade Unions. Out of 1,000 independent unions, only 122 were able to successfully register their status under the new law and within the timeframe. Workers' attempts at organising protests were

systematically crushed. For example, at BiscoMisr, an Egyptian food-manufacturing company, workers were held in custody for 60 days for striking, while seven workers at Ceramica and Majestic, who were protesting against their employer's failure to pay their wages, were arrested and later charged with inciting a strike. All were sentenced to 15 days' detention.⁴⁵

ITUC registered six cases of violations of trade union rights in 2018 and 15 cases in 2017 in Egypt.⁴⁶ The latest cases from 2018 concerned:

- Seafarers' union dissolution.
- Union officials who are not affiliated with the state union are prevented from standing for election in Egypt's union elections.
- Striking workers arrested at Bisco Misr.
- Unfair union elections.
- Independent unions deliberately hindered when registering under new trade union law 213/2017.
- Striking workers at Ceramica La Beauté arrested.

In 2019, it was observed that authorities arrested several labour organisers and subjected others to legal sanctions following the dispersal of strike action. Workers sometimes staged sit-ins on government and private property, often without obtaining the necessary permits. Rights groups claimed authorities sometimes arrested those seeking to obtain protest permits. Several specific events were registered.

First, engineers and workers in a company organised a strike to demand their late salaries. Several workers were arrested and sentenced to 30 days in prison on charges of participating in an illegal gathering and refusing to perform their duties at work to harm the company.

Second, in March 2019, the Court of Cassation upheld a court ruling sentencing 27 police officers in South Sinai to three years in prison and cancelled a fine over charges of protesting and going on strike. The incident dated to January when 50 police officers in different sectors of South Sinai protested the Interior Ministry's decision to reduce vacation days to 10 days a month instead of 15 days.

Third, in September 2019, security personnel in plain clothes arrested 19 workers who participated in a sit-in to demand payment of annual salary increases for the past two years and unpaid bonuses in a factory in Ismailia. The prosecutor released 13 of the workers the same day without charges and detained six of them, including two women, for 15 days pending formal charges. On September 22, 2019, an Ismailia court released them on bail.

Forth, in October 2019, thousands of Universal Company for Engineering Industries workers protested delayed salaries of three months and other unpaid benefits. Media reported that the protest continued for eight days and included 5,000 workers from different departments of the company.⁴⁷

Some employers subject men and women to forced labour in domestic service, construction, cleaning, begging, and other sectors. Some initiates provide some assistance to victims of human trafficking, including forced labour.

Egypt has no active or follow-up complaints procedures cases with reference to ILO Freedom of Association.

Table 6: Committee on Freedom of Association cases in Egypt, 2020 (May)

ILO Complaints Procedure	Number of cases
Active	0
Follow-up	0
Closed	7

Source: ILO, NORMLEX, International Labour Standards country profile, Egypt.

WORKING CONDITIONS

The minimum wage was raised periodically during the 2010s. The latest wage hike to state servants was in July 2019 by 67% from EGP1,200 (US\$99) per month in 2014-2018 to EGP2,000 (US\$123) in the framework of the Civil Service Law No. 81/2016. The following wage benefits were listed: i) annual wage increment of 7% of the basic wage with a minimum of EGP75 (US\$4.5), and ii) exceptional additional increment of EGP150 (US\$8.9) to curb the high inflation. State servants are those who work in ministries, public authorities and administrations, governorates, and municipalities. Other state servants who are not included in the list also benefit from the minimum wage as well as annual wage increment of 10% of the basic wage with a minimum of EGP75 (US\$4.5).

Private-sector workers, which cover around 90% of total employment, are technically not included in the Civil Service Law but subjected to the Labour Law No. 12/2003. In principle, private-sector workers are entitled to annual wage increment that shall be determined by a decision from the National Council for Wages. Such increase shall not be less than 7% of the basic social insurance salary. The average salary is estimated at EGP11,200 (US\$711) in 2020 (see Table 7).

Table 7: Monthly average salary and minimum wage in Egypt and its trend

Type / year	Current EGP	Current US\$
Average salary (2020)	11,200	711
Nominal minimum wage (2019-current) (public sector workers)	2,000	123
Nominal minimum wage increases from 2014/18 to 2019	67 %	
Real minimum wage increase from 2014/18 to 2019 (inflation reduced from nominal minimum wage growth)	-11 p.p. *	

* Percentage point (p.p.).

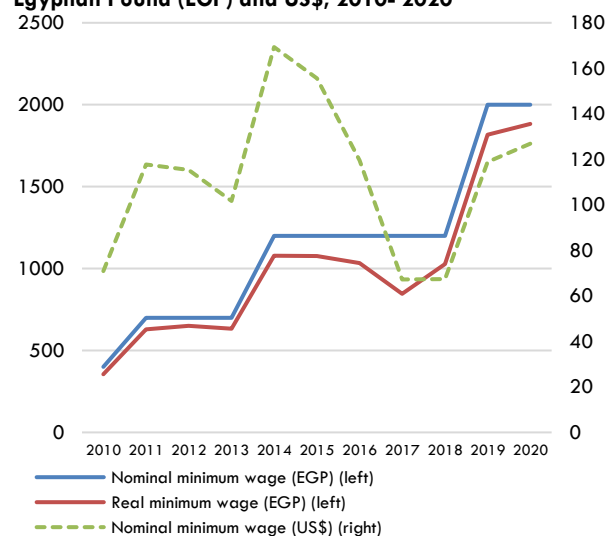
Sources: Wageindicator.org, SalaryExplorer.org, and own calculation of minimum wage growth.

Although the high nominal minimum wage hike of 67% for state servants in 2019, it is worthwhile to mention it was 11 percentage points lower than the inflation in consumer prices covering the period from 2014 to 2018 (see also Figure 2 and Table 7). If the GDP per capita growth is also included in the equation, the real minimum wage was even lower at 21 percentage points. Thus, the minimum wage increase is far below the economy's development. In addition, many must give back 1% of their monthly income in a new "corona" tax in 2020. It supports the impact of rising poverty in the country: around 33% of Egyptians lived below the poverty line in 2018, up from 28% in 2015 and 17% in 2000; and a further increase by 5% in 2019.⁴⁸

There is no gender wage gap in the civil service, but studies have revealed that a gap is substantial in the private sector: women's hourly wage is around 28% less than men on average.⁴⁹ The legislation does not require equal pay for equal work. Informal employment is widespread at approximately 40% of employed who loophole the labour and business regulations (see more in Informal Economy sub-section).

Figure 2 shows the minimum wage trend during the 2010s. First, the nominal minimum wage was adjusted three times in that period: 2011, 2014, and 2019. Second, the relatively rising inflation in consumer prices after 2014 significantly widened the gap between nominal and real minimum wages (also revisit Figure 1), which hollowed the workers' income purchasing power. Third, the Egyptian Pound depreciated against the US\$ as an impact of changing the quote-system that was geared to oblige banks to allocate the US\$ currency in the products approved by the Central Bank of Egypt for import. Compared to other MENA countries in US\$ terms, Egypt's minimum wage is low, e.g. Algeria's of US\$231, Jordan of US\$176, Lebanon of US\$448, Morocco of US\$287, and Tunisia of US\$142.⁵⁰

Figure 2: Nominal and real minimum wage trend in Egypt, Egyptian Pound (EGP) and US\$, 2010- 2020



Sources: ILO, WageIndicator.org, and own calculation of real minimum wage based on inflation data from the World Bank/IMF.

The legislation sets a maximum 48-hour workweek for the public and private sectors and provides for premium pay for overtime and work on rest days and national holidays. By law, excessive compulsory overtime is prohibited. The regulations framework outlines worker health and safety standards, e.g. prohibiting employers from maintaining hazardous working conditions as well as no paid maternity or paternity leave. The law excludes agricultural, fisheries, and domestic workers from regulations concerning wages, hours, and working conditions. Around one out of four (27%) in employment works with an official/written contract. An overview of central working conditions regulations in Egypt is available in Table 8.

Table 8: Status of Working Conditions in Egypt

Fixed-term contracts prohibited for permanent tasks	No
Maximum length of a single fixed-term contract (months)	No limit
Standard workday	8 hours
Premium for night work (% of hourly pay)	0 %
Premium for work overtime work (% of hourly pay)	35 %
Paid annual leave (average for working days with 1, 5 and 10 years of tenure, in working days)	24 days
Is there paid leave of at least 14 weeks available to women?	No
Does the government pay 100% of maternity leave benefits, or parental leave benefits?	No
Is there paid paternity leave?	No
Unemployment protection after one year of employment	Yes

Source: World Bank, Doing Business, Egypt: Labor Market Regulation.

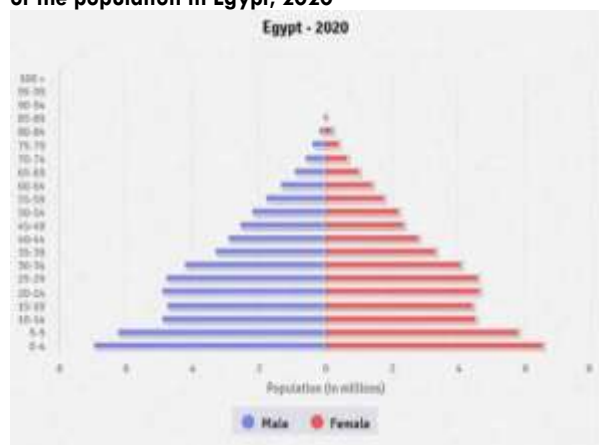
Just 11 fatal occupational injuries per 100,000 workers were officially registered follow by 670 non-fatal occupational injuries per 100,000 workers (see more in

SDG table, Indicator 8.8.1/2, on Page iv). However, work-related injuries and deaths are under-reported in the country, among others due to widespread informality on the labour market. For example, a study of occupational injuries and health problems showed that Egyptian workers in the fishing industry involved many hazardous work conditions and practices that result in high morbidity and mortality rates, and high injury rates.⁵¹

WORKFORCE

Egypt is the most populous country in the Arab world and the third most populous country in Africa, behind Nigeria and Ethiopia. The country's population was estimated at 104 million people in 2020. A large majority (95%) of the population is in the narrow strip of fertile land along the Nile River, which represents just 5% of the country's land area. Egypt's population has tripled since 1960. Figure 3 portrays the population pyramid. The rising costs of raising a family increasingly cause young men and women to delay marriage, except a remarkable population boom during the 2010s. The latter was in the wake of growing poverty and rising cultural conservatism embracing earlier marriages and fewer women using contraceptives.

Figure 3: Population pyramid based on the Age-Sex structure of the population in Egypt, 2020



Source: CIA, *The World Factbook*, Egypt.

The employment-to-population ratio was estimated at 28,3 million workers in Egypt in 2020, which equals 42% of the population. There is a deep gender gap of 49 percentage points favouring men. Youth employment-to-population ratio is down to 20% with similarly high gender gap. The country's ratios are in line to Northern Africa averages (see details in Table 9). Close to one out two of the population are instead in education or economically inactive.

Table 9: Employment-to-population ratio in Egypt and Northern Africa, age and sex distribution, 2020

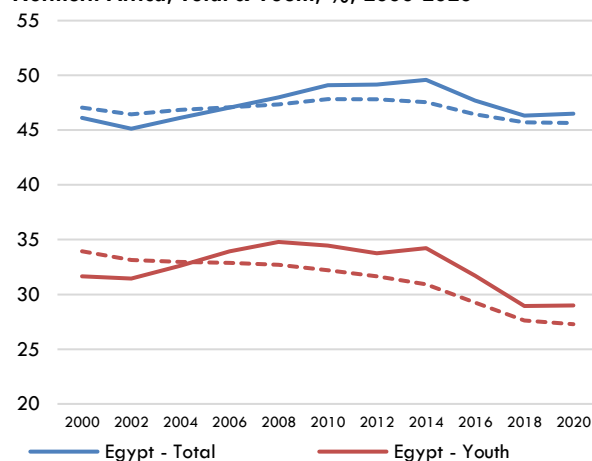
Sex	Age	Egypt	Northern Africa
Men & Women	Total 15+	42 %	40 %
	Youth 15-24	20 %	19 %
Men	Total 15+	66 %	63 %
	Youth 15-24	29 %	28 %
Women	Total 15+	17 %	18 %
	Youth 15-24	11 %	9.7 %

Note: ILO's estimations of Egypt's employment share are in line to Egypt Statistics' register.

Source: ILO, *Key Indicators of the Labour Market (KILM)*.

The labour force participation rate in Egypt slightly increased during the 2000s but entered a slow downturn after 2014. It especially hit youth, which was supported by the increasing school enrolment rates on all levels (see Education section). Similar trends were present in Northern Africa averages (see Figure 4).

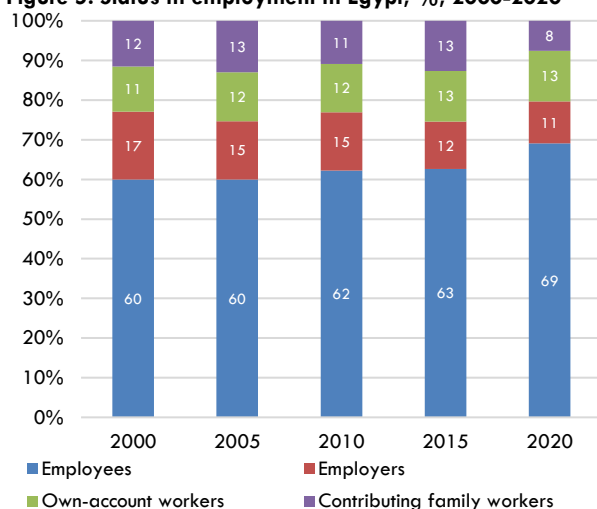
Figure 4: Labour force participation rate in Egypt and Northern Africa, Total & Youth, %, 2000-2020



Source: ILO, *Key Indicators of the Labour Market (KILM)*.

The structure of the status of employment in Egypt has changed in the margin during the last two decades (Figure 5). The most significant change in the share of employment was an upsurge among employees (i.e. workers who held paid employment jobs through contracts), which reached 69% of employment in 2020. Employers represented a relatively high rate of 11% but experienced a declining trend. Own-account workers (i.e. jobs directly dependent upon the profits derived from the goods and services produced) covered 13%. Contributing family workers (i.e. self-employed workers in a market-oriented establishment operated by a related person living in the same household) was the smallest segment of 8% with a declining trend.

Figure 5: Status in employment in Egypt, %, 2000-2020



Source: ILO, Key Indicators of the Labour Market (KILM).

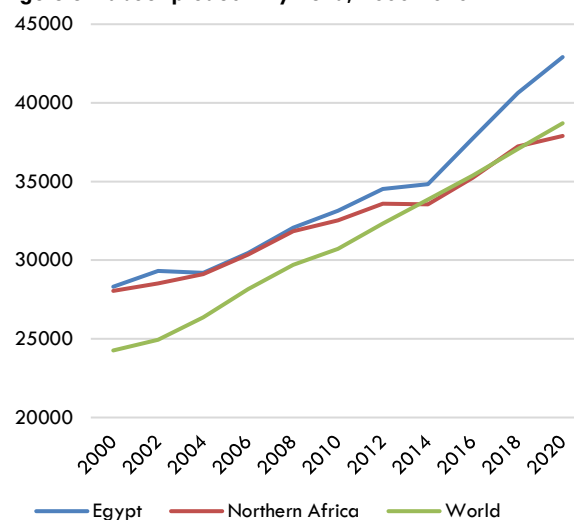
Another aspect that sets the labour market's landscape is that Micro, Small and Medium Enterprises (MSMEs) represented at least 95% of the industrial enterprises. They were distributed in 2.5 million enterprises and constrained 75% of the total workforce. Small and Medium (SMEs) firms represent 13% and 46% of industrial enterprises, respectively.⁵² Financial services have been underutilized by SMEs as only 50% are dealing with banks and benefiting from improved access to finance, which is part of the widespread informality and cumbersome business regulations (see Informal Economy sub-section and Appendix

Table 20). To improving the business climate, a new Micro, Small and Medium Enterprises Development Agency (MSMEDA) was created under the Ministry of Trade and Industry. The Enterprise Training Partnerships (ETPs) have been moved under the responsibility of the Federation of Egyptian Industries (FEI). As of September 2018, most of the ETPs are inactive and without staff.⁵³

Driven by the economic growth, Egypt's labour productivity experienced an upsurge during the 2010s at a higher pace than Northern Africa and the World averages (Figure 6). It has been supported by some structural changes of labour reallocations to aggregate productivity growth and benefited by relatively low time-related underemployment rate at 1.1% in 2018, even youth time-related underemployment at 2.3%. Labour productivity varies across sectors, though. It is higher in information and communications technology (ITC) and finance, while agriculture, construction and transportation are the least productive, followed by trade and utilities. As a share of total employment, ITC and finance are not expanding (see more in Table 12 ahead). Employment and productivity data suggest the

workforce is shifting from low-productivity agriculture mainly to low-productivity construction and services (see also Figure 8 ahead). Nevertheless, sectoral shifts in employment happen between low-productivity sectors, and thus do not contribute to significant gains in overall productivity.⁵⁴

Figure 6: Labour productivity trend, 2000-2020



Note: Labour productivity is defined as output per worker (i.e. GDP constant 2011 international US\$ in Purchasing Power Parity (PPP)).
Source: ILO, Key Indicators of the Labour Market (KILM).

Skill mismatches between job requirements and qualifications in Egypt have challenged the labour productivity. It is mainly related to the fact of a relatively high incidence of under-education at 43% while over-education is less present but should not be underestimated (Table 10).

Table 10: Skill mismatches between job requirements and qualifications in Egypt, By sex and age group 15-29 years old, %, 2013

	Total	Male	Women
Incidence of over-education	8.2 %	8.7 %	6.3 %
Incidence of under-education	43 %	43 %	43 %

Source: ILO, Key Indicators of the Labour Market (KILM).

Unemployment

The Egypt's authorities estimated the unemployment rate at 9.6% (around 3.2 million workers) in second quarter of 2020, which was a hike of 1.9 percentage points from first quarter. This situation was an impact of the Covid-19 pandemic, but it could had been worse without the ongoing massive infrastructure development programme. The country's unemployment rates are close to the Northern Africa averages, expect a significant lower unemployment rate for men (see details in Table 11).

Table 11: Status of unemployment in Egypt, %, 2020

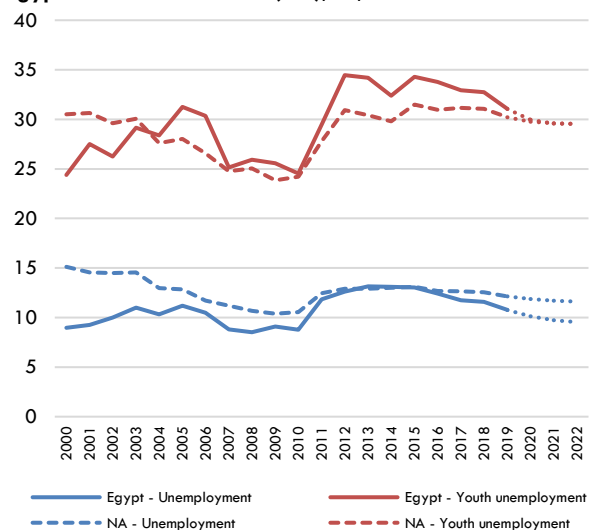
		Egypt	Northern Africa
Unemployment	Total	10 %	12 %
	Men	6.6 %	8.9 %
	Women	22 %	21 %
Youth Unemployment (15-24 years)	Total	30 %	30 %
	Men	25 %	26 %
	Women	42 %	40 %

Note: ILO's estimations of Egypt's employment share are in line to Egypt Statistics' register.

Source: ILO, Key Indicators of the Labour Market (KILM).

Figure 7 illustrates the estimated and projected unemployment trends. An upsurge was noted in the beginning of the 2010s in both Egypt and Northern Africa. It was an impact of the political and economic turmoil triggered in the region as well as the troubled economy's balances. Besides, the higher youth unemployment rate was related to structural deficiencies (see ahead), not to mention the workforce grew faster than the demand for it, a trend that is likely to continue in the coming years.

Figure 7: Estimation and projections of unemployment in Egypt and Northern Africa (NA), %, 2000-2022



Source: ILO, Key Indicators of the Labour Market (KILM).

Two critical factors correlated to unemployment: a deep gender gap and the very high youth unemployment rate linked to the education levels (revisit Table 11). As an example, the secondary and tertiary education levels among men were 35% and 34%, respectively. In contrast, it was 67% and 73% among women. Workers with the primary level or less experienced the much lower

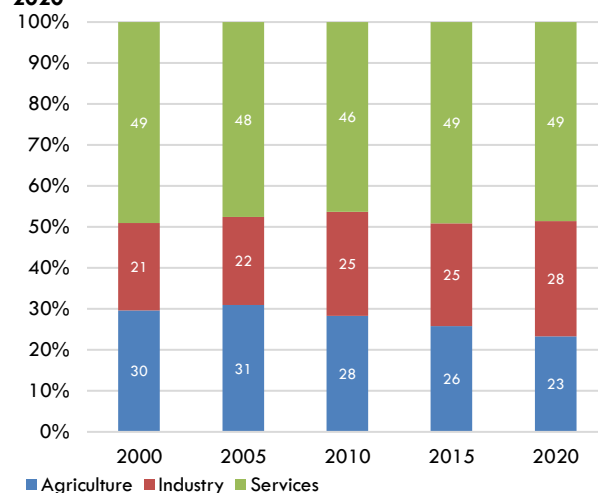
unemployment rate of 12%, which is more present in rural areas).

The unemployment rate excludes the economically inactive people, which contributed around 53% of the workforce in 2020. Having a job does not necessarily imply having a decent job, and persons in employment are not necessarily better off than the unemployed. As a proxy indicator, the underutilisation rate summarises unemployment, time-related underemployment, and potential workforce. In this respect, it is important to realise that the youth labour underutilisation rate in Egypt was high at 54% in 2014.⁵⁵ An immense untapped source of employment is side-lined in the country.

Sectoral employment

The sectoral employment structure in Egypt only changed in the margin during the last two decades. The agricultural sector share of total employment dropped from 30% in 2000 to 23% in 2020, which mainly moved to the industry sector peaking at 28% in 2020 (see details in Figure 8).

Figure 8: Employment by aggregate sector in Egypt, 2000-2020



Source: ILO, Key Indicators of the Labour Market (KILM).

The dominating sectors are the agricultural sector (23%, 6.6 million workers), public administration, education, and health (17%, 4.7 million workers), trade, restaurants, and hotels (16%, 4.5 million workers), and manufacturing (13%, 3.6 million workers). The mining sector is extremely marginal (0.1%; 40,000 workers). Just around one out of five (21%) is a woman, which are mainly working in public administration, education, and health as well as agriculture sectors. Table 12 provides an overview of the status of the sectoral employment in Egypt.

Table 12: Employment distribution in Egypt, 2020

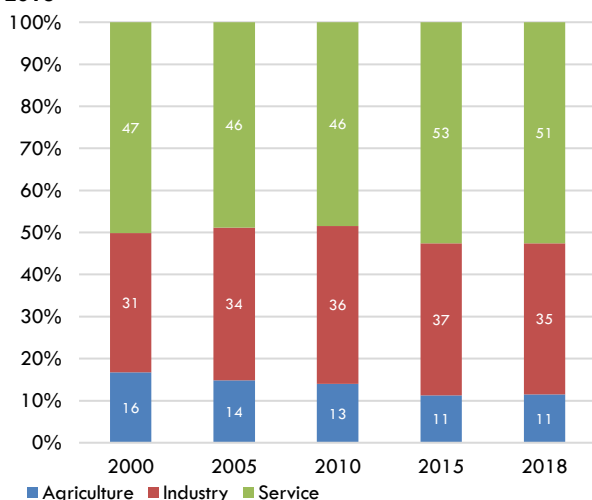
Sector	Employment per sector	Sector employment share, %	Ratio of women to sector employment, %
Agriculture	6,579,772	23%	31%
Mining & quarrying	40,923	0.1%	1.9%
Manufacturing	3,559,840	13%	10%
Electricity, gas & water	424,068	1.5%	6.8%
Construction	3,933,353	14%	0.7%
Trade, restaurants & hotels	4,459,561	16%	15%
Transport, storage & communication	2,471,659	8.7%	3.3%
Finance, real estate & business services	921,326	3.3%	18%
Pub.adm., education and health	4,712,181	17%	46%
Other sources *	1,154,249	4.1%	29%
Total	28,256,932	100%	21%

* Other sources include arts, entertainment and recreation; other service activities; activities of households as employers; undifferentiated goods- and services-producing activities of households for own use; activities of extraterritorial organizations and bodies.

Source: ILO, Key Indicators of the Labour Market (KILM).

The aggregate sectors' value-added in Gross Domestic Product (GDP) experienced some changes in line to the structural changes in the employment structure during the last two decades: the agricultural sector's share to GDP fell by five percentage points from 2000 to 2018 that supported minor upsurges in the industry and service sectors (see details in Figure 9).

Figure 9: Aggregate sectors' value added, % of GDP, 2000-2018



Source: World Bank, World Development Indicators.

Migration

Migrants can be divided in different ways; as internal (e.g. rural-urban, urban-rural), net (in- and out-migration), or refugees.

The internal (domestic) migration tends to be travel for education and economic improvement or because of a natural disaster or civil disturbance. In Egypt, this internal migration has been stalled. Data suggest the urbanisation rate has been on a flat growth at 43% from for decades.⁵⁶ In contrast, urbanisation in the rest of Northern Africa has substantially surpassed that in Egypt. On the other hand, the country's current annual urban growth rate of 2% means that Egyptian cities must accommodate almost 1 million new citizens per year.⁵⁷ In the Greater Cairo Region, nearly two-thirds of residents live in informal settlements, which has dominated the urban development. They are challenged by access to clean water and sewage management along with increasing droughts caused by climate change. The country is expected to face a critical shortage of water by 2025.

The Egyptian Government estimated there were around 6.5 million Egyptian out-migrants (emigration) in 2009, with roughly 75% being temporary migrants in other Arab countries (Libya, Saudi Arabia, Jordan, Kuwait, and the United Arab Emirates) and 25% being predominantly permanent migrants in the West (the U.S., United Kingdom, Italy, France, and Canada). The fact shows more people leave Egypt than enter: the net migration rate was estimated at minus 190,000 in the period from 2013 to 2017 (Table 13).

Table 13: Status of migration in Egypt and Middle East & North Africa (MENA)

Net number in migration (2012-2017)	Egypt	- 190,164 *
Net migration rate	Egypt	-0.64 ** (2015)
		-0.72 ** (2010)
Personal remittances received, % of GDP (2015-2019, average)	Egypt	8.1 %
	MENA ***	4.5 %

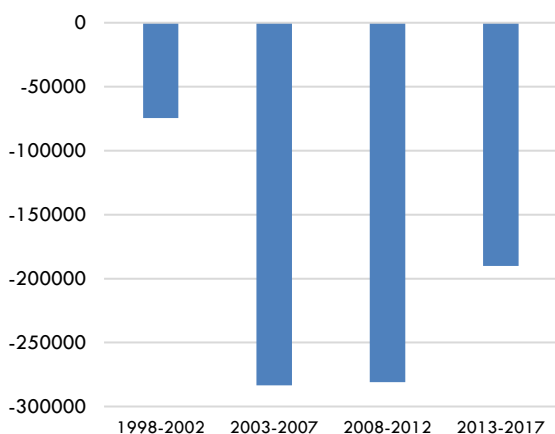
* Net migration is the net total of migrants during a period of five years; the total number of immigrants less the annual number of emigrants, including both citizens and non-citizens. ** Net number of migrants per 1,000 of the population. *** Excluding high income. Source: World Bank, World Development Indicators and KNOEMA.

The Egypt diaspora also turned into an important part of the country's economy: the personal remittances rate contributed to 8.1% of GDP on average from 2015 to 2019, which is almost double as high than the Middle

East and Northern Africa (MENA) on average, and among the highest-receivers countries in the world (Table 13). In 2019, This inflow has been mainly sent from the United States (32%), Kuwait (18%, the United Arab Emirates (16%), and the Kingdom of Saudi Arabia (15%).⁵⁸ In recent years, the Gulf states begun widespread salary cuts and lay-offs driven by drops in international oil prices. It is likely to challenge the Egyptian expats' support to the remittance flow.

The migration patterns show that the negative value of net migration increased during the 2000s until the beginning of the 2010s (Figure 10). In the 2000s, Egypt began facilitating more labour migration through bilateral agreements, notably with Arab countries. During the latter period, many Egyptian workers were drawn by job opportunities in the Gulf that benefitted from development projects financed by high international oil prices. These out-migrants were mostly unskilled labour (mainly in construction). Since 2011, however, events affected the out-migration pattern. For example, the oil prices dropped after 2014. Gulf countries introduced new policies to tightening regular migration and several campaigns targeted irregular migrants, many of whom were from Egypt. Egypt's Central Agency for Public Mobilization and Statistics registered a rise in the number of foreign workers in Egypt in recent years, mostly coming from Asia, in particular India and Bangladesh. Moreover, in the aftermath of the Arab Spring from 2011, as well as the civil wars in Syria and Libya, changed the net migration flow. It turned Egypt not only as a transit-hub country for refugees but also a residing country particularly for many Syrian refugees.

Figure 10: Net migration in Egypt trend, 1998-2017



Source: World Bank, World Development Indicators.

According to the Egyptian Companies Law, and its related decrees, foreign labour may not exceed 10% of

the total labour force of an Egyptian company and total compensation of foreign employees must not exceed 35% of the total payroll of the establishment. Egyptian courts have taken the position that members of the board of directors of joint stock companies, financial managers, administrative managers, and assembling technicians are excluded from the 10% limit set by the law. It means that individuals who fall under this category have been able to obtain work permits for directors without compliance with the said Egyptian labour requirement.⁵⁹

Nearly 250,000 registered refugees and asylum seekers live in Egypt, more than half of them are Syrian. This group grew fast in recent years.⁶⁰ The Egyptian government has refused to establish refugee camps but granted them the freedom of movement inside the country along with granted education and healthcare without discrimination. Refugees are additionally allowed to work, get the necessary licenses to open restaurants and many other buildings. In recent years, rising living costs have affected refugees and migrants in Egypt particularly hard, among others, an impact of economic policies that cut of gas subsidies (see more in Social Protection section). A majority of migrants are working in the informal economy and often Egyptians view them as unfair competitors.

Informal Economy

The informal economy is widespread and growing in Egypt. Table 14 below outlines the scope of the informal economy in Egypt. First, the proportion of informal employment in non-agriculture employment was estimated at around 52%. It suggests that the country is challenged by reaching the Sustainable Development Goal in reducing informality among workers (see more in SDG table, Indicator 8.3.1, Page iv). Second, estimations suggest that the informal economy supports a significant part of the economy from 37% to 70% of GDP depending on the applied methodologies.

Table 14: Status of informal economy in Egypt

Persons in informal employment (2009)	8,247,200
Proportion of informal employment in non-agriculture employment (2009)	52 %
Informal employment (depending applied methods*) (2011-2013)	From 48% to 70%
Informal economy contribution to GDP	From 37% to 68%

* Employed outside establishments (48%); not subject to national labour legislation or entitled to social protection or employment benefits (51%); casually employed (63%); and/or paid below minimum wage (70%).
Sources: ILO, Key Indicators of the Labour Market (KILM) and AfDB, Addressing informality in Egypt, Working Paper, North Africa Policy Paper, 2016.

Census data indicate that the number of informal workers increased from 4.8 million in 1996 to 10.8 million in 2008, representing 48% of total employment.⁶¹ Another study suggested that informal employment increased from 40% in 2012 to 45% in 2013, which was significantly higher compared to 30% in 1998.⁶² Some of the major causes of the increased informality in Egypt were related to flaws in the labour regulations, the state's insufficient capacity to implement rules to doing business, the declining role of the state in new job creation, and the high youth unemployment rate.

Work in the agricultural sector is often considered as informal. In urban areas, the economy is scattered among small, unproductive enterprises, and these firms lack the capacity to provide formal employment. Especially micro-enterprises are typically unregistered, unlicensed, nor keep regular accounting books. In practice, informal firms can only offer casual jobs to their workers such as loophole formal contracts and minimum wage or enrolment in pension schemes. This informality further keeps them with limited access to capital, both financial (such as bank loans), or physical (such as land, machinery, equipment, among others). Since 70% of jobs are being created by micro-enterprises is one reason why informality is on the rise. In addition, even larger, formal firms are not offering their workers formal jobs. Only half the workers at formal firms are hired with contracts and covered by social insurance.⁶³ In practice, these informal workers often operate in small street food-stalls, to day labourers on construction sites to one-person auto repair businesses comprised by low-paid irregular activities under precarious working conditions.

Decree No. 213 of 2003 issuing regulations on employment in the informal economy in Egypt.⁶⁴ It established a commission on employment in the informal economy charged with studying and formulating policy on workers in the informal sector. It provides for the registration of workers in the informal economy and the issuance of registration cards. It forbids employers to hire workers in the informal economy through non-authorized employment services. MoMM may authorise associations, institutions and trade union organisations to create employment services for their members that may serve as recruitment agencies for informal economy workers, under conditions set out in the Labour Code.

As previously mentioned, the Social Insurance and Pension Law of 2019 included 10 categories covered for the first time, such as informal temporary and seasonal workers, housekeepers, and small-scale agricultural tenants. To enrol in this scheme is still challenged by a

lack of awareness or incentives to formalise their activities.

Informal enterprises in Egypt are characterised by individual-based enterprises, small size in terms of scope of production and number of workers, with small capital, and manually oriented enterprises. Data reveal that between 77% and 93% of all private enterprises are informal, depending on the methodology.⁶⁵ The burdensome procedures for registering and operating in the formal sector blocked many entrepreneurs and workers for formalising the enterprises. Since 2017, the Central Bank of Egypt has promoted an initiative to introduce more individuals and enterprises in the banking system. The government launched is also implementing a reformed value-added tax (VAT) system to curb the avoiding paying taxes and customs fees. The government furthermore adopted an approach of encouraging informal enterprises to join the formal sector through low-benefit loans and facilitated procedures for the use of land for industrial purposes. The cabinet that announced a draft bill on small and medium businesses in 2019 aiming at integrating the informal business into the formal economy through a simplified tax system.

Child Labour

Egypt has ratified the Convention no. 182 of Worst Forms of Child Labour and the Convention no. 138 of Minimum Age Convention. The Child Law sets the minimum age for regular employment at age 15 and at 13 for seasonal employment. The bill does not prohibit all the worst forms of child labour, e.g. domestic work, work in family businesses, and work in non-commercial agriculture from minimum age. The main policies to eradicate child labour are the National Plan of Action Against the Worst Forms of Child Labour and the Supporting Family and the National Strategy on Childhood and Motherhood. Social, educational, and poverty reduction programmes have been implemented to reduce children's vulnerability to exploitive labour. Generally, programmes to combat child labour are insufficient to adequately address the extent of the challenges, and particularly concerning the widespread informal economy.⁶⁶ Among others, labour inspectors generally operated without adequate training on child labour issues.

According to the most recent official data on child labour from 2010, around 11% (1.6 million children) of all children were in employment (Table 15). They were often under hazardous conditions. Other data suggest that child labour has increased during the 2010s due to

aggravated economic hardships making working children more active to support their families' income. Based on conservative unofficial estimates, working children has reached at least 2.2 million today.⁶⁷

Table 15: Working children proportion of all children in age group (age 5-17)

Region	Year	Type	Rate
Egypt	2010	Children in employment	11 %
		Child labourers	9.3 %
		Hazardous work	8.3 %
Africa	2016	Children in employment	27 %
		Child labourers	20 %
		Hazardous work	8.6 %
Middle East	2016	Children in employment	N/a
		Child labourers	1.5 %
		Hazardous work	2.9 %

Note: Children in employment include all children who conduct some kind of work, whereas child labourers are a narrower term without mild forms of work. Hazardous work is the worst form of child labour as defined in ILO C182.

Source: ILO, IPEC, *Working Children in Egypt: Results of the 2010 National Child Labour Survey, 2012*; and ILO, *Global estimates of child labour: Results and trends, 2012-2016*.

Working children worked primarily in the agricultural sector. Most of them were unpaid family workers (small-scale farming), especially children aged 5–14. The push factors are household poverty, low parental education, certain social norms, insufficient access to education, and lack of social security.⁶⁸ In urban areas they were often in domestic work and factories, light industry, the aluminium industry, construction sites, and service businesses such as auto repair.

Gender

Gender characteristics in Egypt are entangled into cultural facets and family structures. Survey data point towards the fact that young women in Egypt perceive incompatibility between work and their social roles. It concerns marriage is strongly associated with women's low labour force participation rate. For example, two out of three (66%) of young women, who were not in the labour market, were due to their role as housewives, and 87% of young women with a university education who were not in the workforce, listed the same reason.⁶⁹ Another recent survey concluded that patriarchal attitudes toward men and women roles are widespread in Egyptian society. It suggested that a majority Egyptians had a belief that women should perform all household tasks like cooking and cleaning, while men

should have the final word on household decisions.⁷⁰ This cultural aspect is reflected in the fact that Egypt ranks low in gender equity compared to other countries worldwide.

The scope of the deep gender gaps on the labour market is depicted in Table 16. Close to three out of four workers are men. It does not mean that women do not work; many are instead doing domestic work, which is statistically not recognised as labour participation. Those women participating in employment are challenged by the higher unemployment and underutilization. It is worthwhile to mention that two out of three of employed women work as employees. Employers are men dominated (see ahead). To improve women labour market participation, 0.2% of GDP is allocated by the government to enhancing public transportation and availability and quality of childcare services.⁷¹

Table 16: Estimations of workforce key indicators gender gaps in Egypt, 2020

	Men	Women	Gender gap, percentage point (p.p.)
Employment	66 %	17 %	49 p.p.
Unemployment	6.6 %	21 %	14 p.p.
Labour underutilisation *	13 %	37 %	24 p.p.
Employees	70 %	66 %	4 p.p.
Employers	13 %	2.3 %	11 %
Vulnerable employment **	17 %	32 %	15 p.p.

* Labour underutilization refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population. Imputed observations are not based on national data, are subject to high uncertainty and should not be used for country comparisons or rankings.

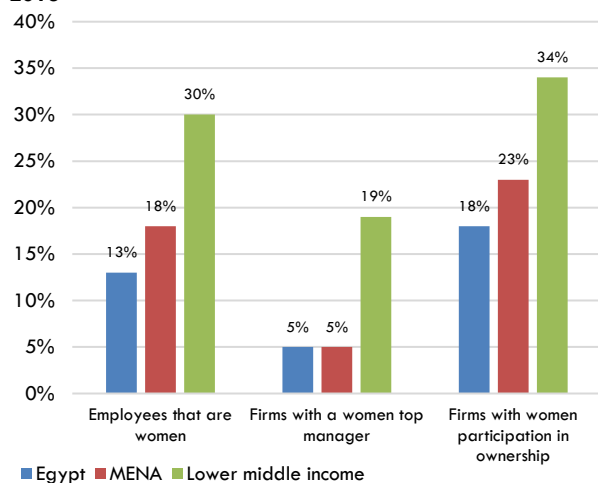
** Aggregated own-account workers and contributing family workers.

Source: ILO, *Key Indicators of the Labour Market (KILM)*.

The textile and garments sector and the information and communications technologies (ICT) sector were considered with positive opportunities for women in Egypt during the 2000s. It was noted that both men's and women's share of employees increased significantly by 9.3 percentage points and 8.8 percentage points, respectively, in the period from 2000 to 2020 (revisit Figure 5). Estimations from the International Monetary Fund (IMF), raising the women labour force participation rate to the men level, coupled with access to employment opportunities, would increase GDP by approximately 34%. Nevertheless, women's labour force participation rate trend has only increased in the margin by 2 percentage points during the last two decades, reaching 22% in 2020.

Regarding the most recent Egypt Enterprise Survey from 2016, the country has a significantly lower rate of firms with women ownership in the Middle East & North Africa (MENA) and far below lower-middle-income countries average. As just mentioned above, women as a top manager are rare, which is similar in the MENA region (see more details in Figure 11). Other data reveal that women share of employment in managerial positions of 6.4% which suggests that Egypt is challenged by the Sustainable Development Goals to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life (see also SDG table, Indicator 5.5.2, in Page iv).

Figure 11: Women in firm ownership and management, %, 2016



Source: World Bank, Egypt Enterprise Survey, 2016.

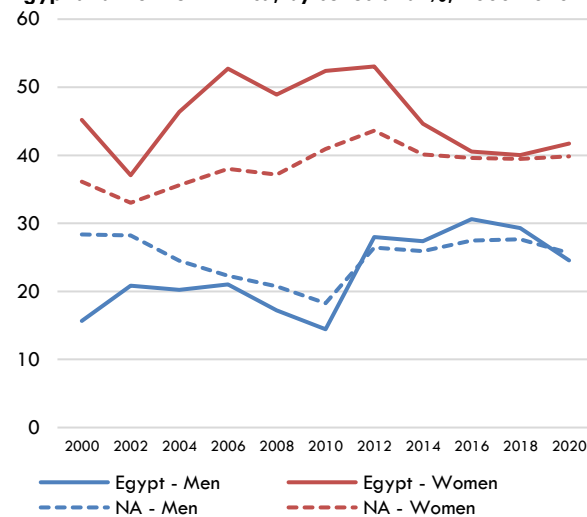
Youth

In Egypt, youth aged 15 to 24 years old comprised of 17.1 million persons (20%) in 2020. The fast-growing population puts pressure on the education system and job creation. To tackle these challenges, the government launched series of employment policies, action plans and information systems, e.g. the Youth Employment National Action Plan, the Egyptian Observatory for Education, Training and Employment, and the Egyptian Forum for Youth Employment Promotion.

Youth's situation on the labour market is grounded in two structural deficiencies. First, the education system is leading many educated young people into a mismatch between available qualifications and demand in the private sector; the quality of education is a major challenge (see more in Education section).

Second, the dominance of a few large, old, and politically connected firms has not grown, which strangled the growth of the private sector. As impact of a decrease in public sector hiring, the gap in employment has supported informal jobs or keeping the youth unemployment rate quite high. On the positive side, especially Egyptian young women's unemployment rate dropped substantially during the 2010s and became in line to the MENA average in recent years (see more details in Figure 12). The progress was supported by the economic growth and to some degree an impact of the employment policies. Be as it may, the burden of high youth unemployment echoing job shortage that primarily affects Egypt's youth generation: more than 75% of the country's unemployed workers are among the youth.⁷² The government is currently planning to develop new specialised training programmes for young people and introduce job intermediation schemes.

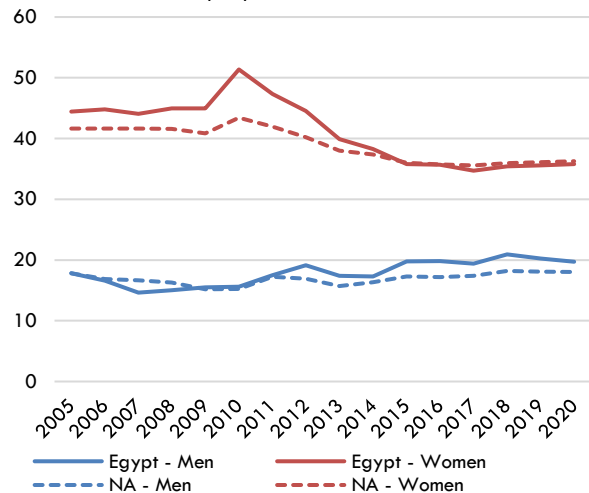
Figure 12: Estimations of youth unemployment rate trend in Egypt and Northern Africa, by sexes and %, 2000-2020



Source: ILO, Key Indicators of the Labour Market (KILM).

Egypt's Youth who are not in education, employment or training (NEET) has been in line to Northern Africa average during the last two decades, both on relatively high levels, especially women (see Figure 13). A study identified several main risk factors associated with an increased probability of NEET, such as low education, living in remote areas, and gender. Around 50% of the 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 labour market.⁷³ Like the drop in young women's unemployment rate during the 2010s, the NEET rate similarly fell.

Figure 13: Estimations of proportion of youth not in employment, education or training (i.e. NEET rate) in Egypt and Northern Africa, %, 2005-2020



Source: ILO, Key Indicators of the Labour Market (KILM).

Different indexes pointed to several challenges faced by Egypt in nearly every domain of youth wellbeing. The country is located close to the bottom for citizen participation (i.e. volunteer activity), economic opportunity, education, and gender equality, according to the Global Youth Wellbeing Index. As a result, Egypt ranked 28th for overall youth wellbeing out of 29 varying countries.⁷⁴ Young Egyptians are two to three times more educated than the previous generation but remain more vulnerable to economic shocks and volatility, which includes the erosion of public sector employment. Private formal sector jobs continue an elusive reality. Developments in the application of internet and media exposed young people to international norms. It rose the expectations for consumption and living standards as well as created a new sense of exclusion.⁷⁵ Egyptian youth are often frustrated concerning being unable to secure a role in decision-making and feel that they are not consulted on issues that directly affect them.

EDUCATION

Egyptians are required by law to complete basic education of nine years: primary education (6 years) and general or vocational preparatory education (3 years). The education system has experienced significant progress in several central areas during the 2010s. The official youth literacy rate, for instance, increased from 85% in 2005 to 94% in 2017 and the number of elementary-age out-of-school children has dropped by 50% in the aftermath of the Arab Spring in 2011. Still, one out of four (27%) workers have less than basic education, but a majority (39%) with intermediate education (see more in Table 17).

Table 17: Changes in employment by education in Egypt, 15+ age, % of employment distribution, 2008-2018

	Less than basic	Basic	Intermediate	Advanced
2008	41 %	9.0 %	35 %	16 %
2018	27 %	16 %	39 %	18 %
Change	-14 p.p. *	+7 p.p. *	+4 p.p. *	+2 p.p. *

* Percentage point (p.p.).

Source: ILO, Key Indicators of the Labour Market (KILM) based on national figures.

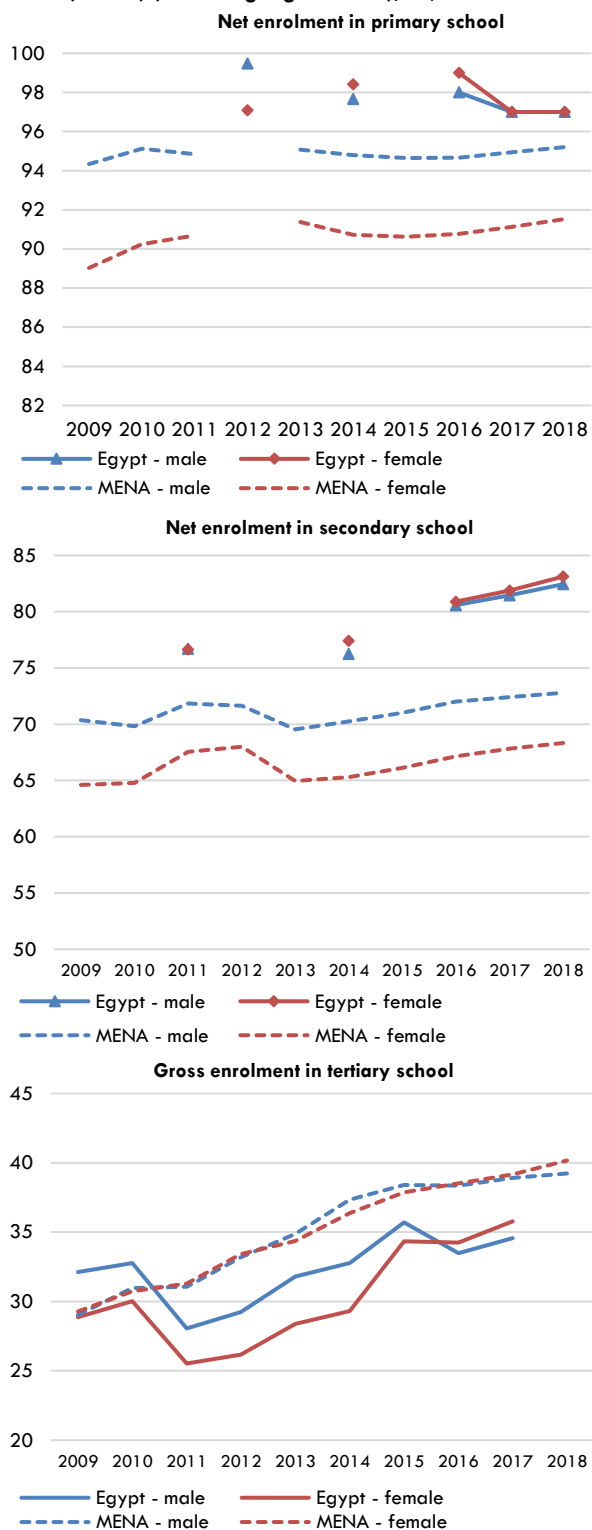
The institutions responsible for education are divided into three layers. First, the Ministry of Education (MoE) for pre-university education and the Ministry of Higher Education for higher and university education accounting for over three-quarters of all K-12 (i.e. from kindergarten to 12th grade) students. Second, a smaller parallel programme run by Al-Azhar, which operates a network of around 9,000 schools and oversees by the state; educates an estimated 10% of pre-university students in secular subjects and religion. Third, the education system in private education, which accounts for around 8% of all students attending school at the primary and secondary levels. The MoE is responsible for regulating most of these private schools. There are about 51,000 public schools and at least 8,000 private schools in Egypt, including more than 100 international-affiliated schools.⁷⁶

Figure 14 shows the school enrolments rates are higher in Egypt than the Middle East and Northern Africa (MENA, excluding high income) average, except in the tertiary level. Net enrolment in primary education is not entirely at 100%, which was exhibited in the previously mentioned relatively low child labour rate. There is no gender gap at this education level.

Net enrolment in secondary education rose fast during the 2010s and hovering far above the regional average. Again, no gender gap is present. In 2018-19, a new standard of evaluating students' transition from high school to tertiary education replaced the traditional approach. The new system will use a 'grade point average' (GPA) system, which determines the final grade according to the average of a student's grades throughout the three years of secondary education.

Concerning the gross enrolment in tertiary school level, Egypt's rates are lower than MENA averages, and both with just narrow gender gaps. Many protesters during the 2011 revolution were university-educated youth who were frustrated by the meagre job prospects.

Figure 14: Enrolment in Primary, Secondary and Tertiary schools, male and female, Egypt and Middle East & North Africa (MENA) (excluding high income), %, 2009-2018



Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age.

Source: World Bank, DataBank, Education Indicators and Trading Economics.

Youth in Egypt are increasingly attaining high education levels and rising expectations for achieving middle-class status primarily by accessing formal employment. Although substantial progress in school enrolment, several challenges continue shadowing the quality of education. First, public funds are insufficient to cover the shortage of school buildings and infrastructure. Second, teaching methods and teachers' qualifications lack flexibility, e.g. underestimating self-learning and autonomy, as well as teachers' lack incentives to experiment with new teaching methods. Third, student-to-teacher ratios, class size and school facilities reached burdens. Although many Egyptian continue to experience traditional transitions from school-to-work, those who attain secondary education or above and strive to achieve a smooth transition to adulthood are increasingly struggling.⁷⁷

Vocational training

The technical and vocational education and training (TVET) is particularly important for promoting economic development, expanding employment size and improving the quality of employment. The Egyptian TVET is often associated with a lower value than academic education. The former is often even perceived as a last resort for academically low-performing students. They are denied access to the general education that is a prerequisite for college admission. On the other hand, incentives to enrolment in TVET have been supported by the fact that most advertised vacancies offered in Egypt are for candidates with technical experience.

The TVET system has been complex. TVET institutions were linked to 35 ministries/authorities and lacked a unified TVET vision.⁷⁸ The TVET consists of three-years secondary education or higher education at the tertiary level from middle technical institutes (2 years) and higher technical institutes (4 years).

In 2015, the Egyptian government established an independent ministry of vocational education to boost the TVET sector. It was part of a reform of the new constitution that, among others, obliged the state to expand the national needs for a trained workforce. The government especially aimed to beef up the technical education (see ahead). In May 2018, the Ministry of Education and Technical Education launched its strategy for transforming education in Egypt. The ministry is currently working on the development of a new strategy for the TVET sector.

The number of students in vocational training increase from 1.3 million in 2009 to 2.0 million in 2018: of these,

50% are in what is known as industrial education (e.g. mechanics, electricians, plumbers, and carpenters), 35% are in commercial education (e.g. personal assistants, bank tellers, insurance agents, marketers, and sales clerks), 10% are studying agriculture and 5% are studying hospitality. The ratio of pupils in vocational training to all secondary education pupils reached 22% in 2018, which is close to double as high as the regional average (see more details in Table 18).

Table 18: Status of Vocational Training, 2018

Egypt		Values
Pupils in vocational training		2,018,339
Growth in pupils in vocational training, 2009-2018		57 %
Enrolment in secondary vocational, females		41 %
Ratio of teachers in secondary vocational education to pupils in vocational training		1:14
Comparative estimations	Country/region	%
Ratio of pupils in vocational student to all pupils in secondary education	Egypt	22 %
	MENA	12 %

Source: World Bank, Education Statistics.

Some of the main ongoing changes in the TVET system in recent years are a new Quality Assurance Agency (QAA) in 2018 that aims to operate in close cooperation with the existing National Agency for Accreditation and Quality Assurance in Egypt (NAQAAE). The same year, eight new technological universities were approved. A new standard of evaluating students' transition from high school to tertiary education replaced the existing traditional approach in 2018/19 academic year. The new system will use a Grade Point Average' (GPA) system, which determines the final grade according to the average of a student's grades throughout the three years of secondary education. Two significant development programmes are in progress. First, TVET II aims at improving the structure and performance of the TVET system. It includes the three-year programme gearing competency in practical skills towards 50% of the total grade, as well as 50% in theory and a focus on youth employability and national competitiveness. Second, the five-year Supporting Egypt Education Reform project launched in 2018 that aims to modernise the public-school system, enhance the capacity of teachers and administrators, and increase the role of technology in teaching and learning.⁷⁹

During the 2010s, greater emphasis was placed on developing industry-related TVET systems to promote local partnerships between industry and training centres. These practices are intended to develop alternative

ways of providing practical skills training. Non-formal training includes training through industry attachments such as the dual system and apprenticeships, in-service training, and re-training of workers. In Egypt, firms offering formal training (i.e. firms offering formal training programmes for their permanent, full-time employees) was estimated to form 10% of all firms in 2016.⁸⁰ The TVET system is contested by the large number of private, informal small-enterprise where on-the-job training is usually incomplete and outdated.

SOCIAL PROTECTION

The complex social protection system in Egypt has a nearly comprehensive scope of legal coverage concerning policy areas, i.e. maternity (cash), sickness (cash), unemployment, employment injury, disability/invalidity, survivors, and old age – only missing child and family statutory programme. Dependents have not been insured, though. Social assistance programmes have not easily accessible discounting workers from the informal economy. This situation is echoed in the fact that women and youth are the most vulnerable groups in terms of health insurance coverage.

Table 19 provides an overview of the social protection coverage in Egypt. The most common type of benefits is retirement or social assistance pensions. At least one out of three (37%) of the population is covered by at least one social protection benefit. Since many still have low (or no) pay and lack of social protection concerns that many informal workers are unprotected in sickness or old age schemes. Legal coverage for old age is 100% (divided in 29% contributory and 71% non-contributory); in practice, just around one out of two (54%) is in old-age effective coverage. It is a relatively high rate compared to other Northern Africa countries: Algeria of 41%, Libya of 20%, Morocco of 30%, Sudan of 4.9%; only superseded by Tunisia of 61%.⁸¹ Active contributors to a pension scheme in the working-age population (15-64) were quite low at 29% in 2015.

Table 19: Proportion of population covered by social protection floors/systems in Egypt, %, latest year available

Indicators	Value
Population covered by at least one social protection benefit	37 %
Population without legal health coverage	49 %
Old-age effective coverage (active contributors, 15+ age)	54 %
Mothers with new-born receiving maternity benefits	100 %
Unemployed who receive benefits	0.1 %

Source: ILO, SDG labour market indicators.

A new Social Insurance and Pension Law (no. 148) of 2019 was effective per January 1, 2020. It covers several insurance and pension beneficiaries, including 10 categories covered for the first time, such as temporary and seasonal workers, housekeepers, small-scale agricultural tenants, and property owners. Subscription amounts have changed in different categories and introduced for the first-time employees that fall under non-regular category (e.g. domestic workers). The law also raised the retirement age gradually to 65 by 2040 and increased pensions annually by up to 15% based on the inflation rate.

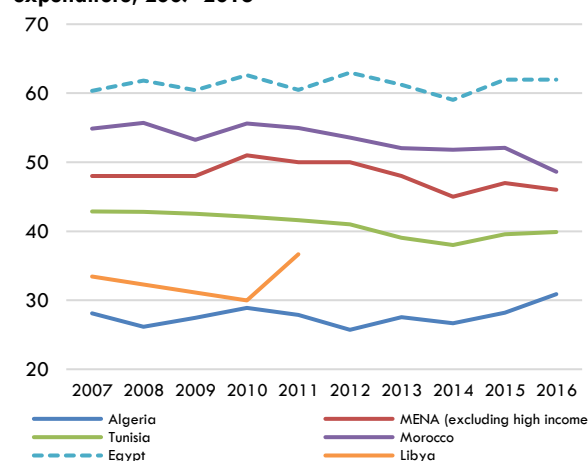
The pension insurance coverage gap widened among all workers during the 2010s, particularly in private-sector wage employment.⁸² It was, to some extent, a result of reforming the social protection system. This latter system benefitted from the relatively high public expenditure directed towards programmes that subsidised food, fuel, and electricity prices. Especially the energy subsidies have mainly benefited middle- and higher-income groups with access to infrastructure and vehicles. The fiscal burden of subsidies became acute in the beginning of the 2010s, e.g. in 2013, Egypt spent more than a fifth of its budget on fuel subsidies. To curb the fiscal deficit, the government introduced drastic economic and social protection reforms, which included tax reforms and budget cuts. For example, a gradual liberalisation of energy prices throughout 5–10 years was launched in 2014. The cost of these subsidies dropped significantly reaching 2.7% of the national budget for 2016/17. It also led to price hikes: fuel prices rose by almost 70% and natural gas prices by 175%. Fiscal savings from energy subsidies reforms were instead rerouted to social spending in areas such as health and education sectors.

The rise in Value-Added Tax (VAT) supported the growing income inequality in the country. The consumer prices soared dramatically from 2016 to 2018 but curtailed down to 14% in 2019 (revisit Figure 1). Over the past few years, electricity subsidies were also entirely removed, and its tariffs were expected to double within five years. Many citizens have been removed from the food subsidy system as the government enacts stricter eligibility criteria. The cut in bread subsidies in 2014 and introduce the rationing system were a battle to curb the imported wheat, which sparked widespread protest in the past. Export subsidies and social housing subsidies were the only schemes receiving a real spending increase in Financial Year 2020/21.⁸³ Nevertheless, reforms to improve targeting of subsidies have been postponed for political grounds.

The price hikes entered political turmoil and social unrest. In 2015, the government launched two new social programmes to offset the situation and supported by the savings gained from the subsidy removal. First, the *Takaful* (Solidarity) programme aids poorer households with additional benefits available for children. Second, the *Karama* (Dignity) programme provides social pensions for those with disabilities or aged 65 and above.⁸⁴ These programmes consist of conditional and unconditional cash transfer schemes and are among Egypt's largest investments in human capital development. The *Takaful* and *Karama* programme is implemented by the Ministry of Social Solidarity and has covered 2.26 million households in 2018, which amounts to approximately 9.4 million individuals (10% of Egypt's population).⁸⁵ In 2019, the programme was targeted at 2.4 million households (or around 10 million people).

Current health expenditure was estimated at 5.3% of GDP on average in the period 2015-2017, which was 1.1 percentage point lower than MENA (excluding high income) average. National budget spending on health insurance, medicine, and health care for those who cannot afford these services is expected to rise in the margin in the Financial Year 2020-21, but below the projected inflation rate at 9% in 2020. Figure 15 below visualises that out-of-pocket health expenditure in Egypt is hovering far above neighbouring Northern Africa countries. It suggests that healthcare is a financial burden for most Egyptians and deflating spending in health insurance and medicine, as well as other mentioned central subsidies, could worsen many workers situation.

Figure 15: Out-of-pocket expenditure, % of current health expenditure, 2007-2016



Note: Out-of-pocket expenditure is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups. It is a part of private health expenditure.

Source: World Bank, World Development Indicators.

About half of the population (51%) in Egypt is insured by its legal government health insurance schemes, and another 30% are enrolled in private health insurance, while the remaining 20% has no health insurance. In comparison, the remaining 20% has no health insurance. The country's legal health coverage was significantly lower than other Northern Africa countries, e.g. 85% in Algeria and 80% in Tunisia, while more in line to Morocco at 42%.

The legislation introduced unemployment insurance as a new privilege for those who become unemployed during their coverage period if they have contributed to the social insurance system for at least one year. In practice, the scope of the previous unemployment insurance law, also known as the Emergency Subsidy Fund Law 156 of 2002, reached around 16% are entitled to unemployment benefits. Hardly anyone has private life insurance, and minimal private unemployment insurance, offered. Thus, taking into consideration the staggering high youth unemployment rate of 30% and the economically inactive of 53% in 2020, a majority is left in a precarious situation.

Foreign employees, except for certain Arab nationalities, are not subject to the Social Insurance Law and are not required to pay social insurance contributions unless there is a reciprocal duty under a Double Social Insurance Treaty in the employee's national country. Although if the foreign employee is not subject to the law, the employer must still pay 2% of the employee's salary that is subject to insurance to cover the state medical insurance for work-related injuries.⁸⁶

Data revealed that Egypt has a significant lower maternal mortality ratio deaths per 10,000 live births than Africa average at 6.6 and 48, respectively. This improvement is an impact of extensive training, revised curricula, the publication of medical protocols and services standards, and the implementing community outreach programmes, and media campaigns.

APPENDIX: ADDITIONAL DATA

Table 20: Ease of Doing Business in Egypt, 2020

Topics	2020
Overall	114
Starting a Business	90
Dealing with Construction Permits	74
Getting Electricity	77
Registering Property	130
Getting Credit	67
Protecting Minority Investors	57
Paying Taxes	156
Trading Across Borders	171
Enforcing Contracts	166
Resolving Insolvency	104

Note: Doing Business 2019-2020 indicators are ranking from 1 (top) to 190 (bottom) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

Source: World Bank & IFC, Ease of Doing Business 2020 in Egypt.

Table 21: List of approved labour related legislations in Egypt, 2014-2019

Type of legislation	Legislation
2014	
General provisions	Law No. 50 of 2014 amending Law No. 58 of 1937, promulgating the Penal Code
	Law No. 45 of 2014 to regulate the exercise of political rights
	Law No. 22 of 2014 regulating Presidential Elections
	Egyptian Constitution 2014
Freedom of association, collective bargaining and industrial relations	Ministerial Order No. 117 of 2014 promulgating the Trade Union Organizations Statute Model and Regulation
Elimination of child labour, protection of children and young persons	Council of Ministers Order No. 208 of 2014 amending Ministerial Order No. 2075 of 2010 promulgating the Executive Regulation on Child Law.
Social security (general standards)	Ministerial Order for the year 2014 granting special allowance for employees working in the private sector
	Law No. 120 of 2014 on amending some provisions of Law No. 79 of 1975 on Social Insurance and Law No. 108 of 1976 concerning Social Insurance for Employers and Self-Employed
	Minister of Finance Order No. 263 of 2014, concerning the rules of the special monthly allowance payment provided by Law No. 42 of 2014
	Presidential Decree No. 190 of 2014 On Increasing Pensions as of 1 July 2014
Specific categories of workers	Law No. 127 of 2014 Regulating Health Insurance for Farmers and Agricultural Workers
	Law No. 42 of 2014 granting government employees special allowance
International agreements	Mémorandum d'entente de coopération entre le Gouvernement de la République algérienne démocratique et populaire et le Gouvernement de la République arabe d'Égypte dans le domaine de la formation professionnelle, signé au Caire, le 13 novembre 2014
2015	
General provisions	Law No.105 of 2015 amending some provisions of the Environmental Law No.4 of 1994
General provisions	Law No. 92 of 2015 Amending some provisions of the Political Rights Law No. 45 of 2014 And the House of Representatives Law No. 46 of 2014
Elimination of child labour, protection of children and young persons	Law No. 7 of 2015 amending Law No. 12 of 1996 concerning the Child Law
	Law No. 6 of 2015 amending Law No. 12 of 1996 concerning the Child Law
Social security (general standards)	Law No. 117 of 2015 amending some provisions of Law No. 79 of 1975 on Social Insurance
Social security (general standards) / Specific categories of workers	Law No. 99 of 2015 granting government employees special allowance
Social security (general standards)	Law No. 29 of 2015 On Increasing Pensions as of 1 July 2015.
Specific categories of workers	Law No. 18 of 2015 concerning the Civil Service
2016	
Social security (general standards) / Specific categories of workers	Law No. 81 of 2016 promulgating the Civil Service Law.
2017	
Freedom of association, collective bargaining and industrial relations	Law No. 213 of 2017 on promulgating the Trade Union Law.
2018	
General provisions	Law No. 175 of 2018 Regarding Anti-Cyber and Information Technology Crimes
Agriculture workers	Law No. 34 of 2018 amending some provisions of Law No. 53 of 1966 concerning the Agriculture Law.
Disabled workers / Employment policy, promotion of employment and employment services / social security	Law No. 99 of 2018 Pension Increment and amending Law No. 10 of 2018 concerning the Rights of Persons with Disabilities.
Disabled workers / Employment policy, promotion of employment and employment services	Law No. 10 of 2018 Promulgating the Law on the Rights of Persons with Disabilities.
	Ministerial Order No. 36 of 2018 promulgating guiding models for trade union organization in order to set their basic regulations

Freedom of association, collective bargaining and industrial relations	Ministerial Order No. 35 of 2018 Promulgating the Executive Regulations of the Trade Unions Law.
Migrant workers	Law No. 173 of 2018 amending some provisions of Law No. 89 of 1960 concerning the entry and exit expatriates and their residence and Law No. 26 of 1975 concerning Egyptian nationality.
Social security (general standards)	Law No. 2 of 2018 promulgating the Health Insurance System.
	Law No. 98 of 2018 on Military Pensions Increment.
	Law No. 96 of 2018 granting government employees special allowance.
Specific categories of workers	Law No. 19 of 2018 Regulates works at University Hospitals
2019	
Freedom of association, collective bargaining and industrial relations	Law No. 142 of 2019 which amends several provisions of the Trade Union Law and the Protection of Freedom of Association promulgated by Law No. 213 of 2017.

Source: ILO, NATLEX, Egypt.

Table 22: Central reforms in Egypt's draft Labour Law

Themes	Reform proposals
"Form 6"	The draft bill abolished the barriers towards working in the private sector: the so-called "Form 6" is a form submitted by the employer for the insurance or government agencies to prove the end of the worker service, some businesspersons force youth to sign such form before signing the employment contract. In the new draft bill, the resignation of the worker must be approved from the Competent Administrative Authority whereby this guarantees the issuance of prior resignation will be eliminated.
Foreign Workers	Introduce a chapter concerning employment of foreign workers, whether it is a subordinate job, a profession and working in domestic service. The draft bill prohibits the work of a foreigner within the country without a license and means any subordinate work or a profession including the domestic service, i.e. the provisions for the foreign workers have not been changed.
Contract Duration	The draft bill will eliminate the previous employment contracting duration to become at least 6 years instead of one year.
Annual Bonus	Employees covered by the provisions of the law, shall be subjected to a periodic annual bonus of not less than 7% of the insurance remuneration. The provisions of the law do not apply to employees of state agencies, including local administrative units, public bodies, domestic service workers, among others.
Working Hours for Pregnant Woman	Unlike its preceding Labour Law, the draft bill provides for the working hours of a pregnant woman, which will be reduced by at least one hour starting from the sixth month of pregnancy and is not entitled to any additional working hours within the duration of pregnancy and until the end of six months from the date of pregnancy.
Supreme Council for Social Dialogue	Provides for the establishment of the Supreme Council for Social Dialogue and its branches in the governorates.
Execution of the Employment Contract	Obliges the employer to conclude the contract of employment in Arabic, and make four copies; where the employer keeps a copy and another for the worker, a third for the social insurance office and the fourth for the competent administrative authority (i.e. the Competent Ministry for Labour Affairs) instead of three copies stated for in the current law.

Source: Youssef Saleh & Partners, Egypt's New Labour Law, July 5, 2018.

Table 23: Ratified ILO Conventions

Subject and/or right	Convention	Ratification date
Fundamental Conventions		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948	1957
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1954
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	1955
	C105 - Abolition of Forced Labour Convention, 1957	1958
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	1999
	C182 - Worst Forms of Child Labour Convention, 1999	2002
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	1951
	C111 - Discrimination (Employment and Occupation) Convention, 1958	1958
Governance Conventions		
Labour inspection	C081 - Labour Inspection Convention, 1947	1956
	C129 - Labour Inspection (Agriculture) Convention, 1969	2003
Employment policy	C122 - Employment Policy Convention, 1964	Not ratified
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	1982
Technical Conventions (Up-to-date)		
Working time	C014 - Weekly Rest (Industry) Convention, 1921	1960
	C106 - Weekly Rest (Commerce and Offices) Convention, 1957	1958
Social Security	C118 - Equality of Treatment (Social Security) Convention, 1962	1993
Specific categories of workers	C149 - Nursing Personnel Convention, 1977	1982
Wages	C094 - Labour Clauses (Public Contracts) Convention, 1949	1960
	C095 - Protection of Wages Convention, 1949	1960
	C131 - Minimum Wage Fixing Convention, 1970	1976
Occupational Safety and Health	C115 - Radiation Protection Convention, 1960	1964
	C139 - Occupational Cancer Convention, 1974	1982
	C148 - Working Environment (Air Pollution, Noise and Vibration) Convention, 1977	1988
Industrial Relations	C135 - Workers' Representatives Convention, 1971	1982
Vocational Training	C142 - Human Resources Development Convention, 1975	1982
Seafarers	C145 - Continuity of Employment (Seafarers) Convention, 1976	1983
	C147 - Merchant Shipping (Minimum Standards) Convention, 1976	1983
	C166 - Repatriation of Seafarers Convention (Revised), 1987	2004
Labour Administration	C150 - Labour Administration Convention, 1978	1991
Dockworkers	C152 - Occupational Safety and Health (Dock Work) Convention, 1979	1988
Employment policy and promotion	C159 - Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983	1988

Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work; equivalent to basic human rights at work.

Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promote a well-regulated and well-functioning labour market.

There are also 178 Technical Conventions, out of which 83 conventions are "Up-To-Date" and actively promoted, i.e. an Up-To-Date Convention is one that is ready for ratification by the Member States and one that has been examined by the ILO Governing Body and deemed to be still relevant

Source: ILO, NORMLEX, Country Profiles.

Table 24: Local collective bargaining agreements and worker coverage, 2019/2020

Region / company	Sector	Number of local CBAs	Workers coverage	Benefits
Gharbia governorate	Chemical and garment	35	6,534	Bonus of 10%
Assiut governorate	-	20	5,000	Bonus of 10%
Beheira governorate	Garments & textiles, Agriculture and food Industries	36	6,556	Bonus of 10%
Sharqia governorate	-	44	29,100	Bonus of 10%
Coca Cola	Food	-	8,856	Overtime bonus
Suez Canal Containers	Shipping & Transport	-	1,235	Annual wage increases in balance with inflation
Conrad Hotel	Tourism	-	990	Financial benefits
Eastern Tobacco co.	Food	-	13,700	Financial benefits
Cermica Granita	Wood, Building & Construction	-	1,308	Annual leave

Source: DTDA Sub-regional Office, data-collection.

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