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Studies and Analysis of the Egyptian Labour Market in the Scope of Labour Migration to Germany

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Executive Summary

With migration becoming a widespread phenomenon, it has been receiving increased attention by the day. Egypt, being both a country of origin and destination, has long placed migration high on its agenda. During the last two decades, migration has received special attention at the policy level, due to the massive increase in the working age population and a more general shift in the demographic structure of Egypt. Migration has therefore started to be regarded as a means to relieve the pressure on the labour market and provide several gains, outweighing the potential costs of brain drain. In this light, the European Union (EU) and Egypt have been engaging on shared priorities including developing a framework for regular political dialogue between both ends. The EU supports the Government of Egypt's (GoE) efforts to strengthen its migration governance framework, including strategies for migration management, as well as addressing the root causes of irregular migration. In its continuous efforts to collaborate with Egypt in migration affairs, the EU is committed to establishing cooperation on regular and irregular migration and mobility. Germany, amongst the EU member countries, is namely a key partner for Egypt in the migration realm. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), has been implementing projects across the country.

Migration, being a very dynamic and diverse arena, is affected by not a single, but the majority of the economy's characteristics. Examining the different labour-characterising structures and trends of the economy (demographics and employment, for instance) is deemed thereby essential in pursuit of accurately examining the migration scene, especially given the structure of the Egyptian labour market. Upon examination, the current conditions of the labour market in Egypt have been found to be fuelling aspirations to migrate among the young people in Egypt. The migration of young people is often considered risky for the brain drain implications of these moves. However, a "fair and safe" migration contributes to the development of the migrant, the country of origin and destination, achieving a triple win situation. The regional programme "Towards a Holistic Approach to Labour Migration Governance and Labour Mobility in North Africa (THAMM), jointly funded by the European Union and the German Federal Ministry for Economic Cooperation and Development, is an example of a governed migration programme that fosters "fair and safe" migration through establishing and supporting labour mobility between Egypt and Germany.

The outcomes of the THAMM calls for the skilled workers and apprentices highlight three main trends: (1) low number of selected candidates, (2) limited female representation (women having very low representation among the selected candidates), (3) most



candidates are in the electricity and electronics sector (61 per cent of the selected candidates).

Upon analysing the eligibility criteria used to target skilled workers and to select candidates' profiles, analysing the gender distribution of the target groups, and studying the specific effects of migration in the Egyptian electric and electronics sector, recommendations have been devised to address and capitalise on the three trends identified off the initial THAMM calls. Recommendations are manifold, and each is directed at a different stakeholder/party in the migration process: the country of origin, country of destination, and the migrant- a Triple Win.

To the country of origin and within the specific context of THAMM, analysis has firstly shown that the eligibility criteria being used thus far are not in full congruence with the realities of the Egyptian labour market. The current realities of the Egyptian labour market allude to a great deal of skills mismatch, and to the prevalence of the phenomenon of underemployment. Owing to both of those characterising factors, THAMM's eligibility criteria is recommended to allow some further degree of flexibility with respect to education and experience, while specifically targeting the underemployed pool, not only job seekers.

Beyond the eligibility criteria, the study has found that THAMM's reach has been rather limited due to online platforms being the sole means of call announcement and circulation. The programme thus needs to not limit call circulation to online platforms, but to also capitalise on networks and community, which carry significant potential in yielding a greater number of applicants. And finally, since the recognition of skills remains to be a major obstacle in the migration process, Egypt needs to work on aligning and accrediting its curricula with and from international bodies, to facilitate recognition of skills in the long run.

In a more general sense, namely Egypt in this case, several recommendations are highlighted to maximise net impacts of migration. To maximise *net* impacts, Egypt needs to maximise benefits of migration, minimise costs of brain drain, and establish mechanisms for the re-transfer of gains from destination to origin countries. Starting with maximising benefit, as aforementioned, origin countries should do so through ensuring that labour market dynamics allow for skill-spill overs. The second means through which benefits are maximised is fostering knowledge transfer. To create an environment conducive to knowledge transfer, countries of origin should work on strengthening their business environment, to allow an effective channel of communication and support transnational activities and thus maximise the effects of knowledge transfer. Also, since knowledge transfers naturally take place upon return migration, countries of origin would



be fostering knowledge transfer should they encourage return migration and support return migrants as they re-integrate into the community. The third and final arm to maximise benefits is to incentivise the channelling of remittances, which could happen through reducing remittance costs for instance, Malaysia providing a success story of the matter.

As for minimising costs, countries of origin could achieve so primarily through expanding the capacity for training high-skilled workers. Greater capacity increases the likelihood that enough high-skilled workers stay, even if others migrate, and this ensures brain drain costs are kept to a minimum. Other than expanding training capacity, in the specific case of Egypt, focusing on sending the underemployed, rather than job seekers, so as not to take away from the existent pool of available labour, is a second potential means of minimising costs. This reiterates the targeting of the underemployed.

With regards to establishing mechanisms for the re-transfer of gains from destination to origin countries, Egypt needs to work on building environments (whether business or cultural environments, among others) that allow for synergies between diaspora communities and the local community. It also needs to establish reliable tools for the transfer of remittances with minimal costs, to incentivise the channelling of remittances. In short, origin countries need to facilitate the mechanisms that allow for knowledge transfers and sending back remittances- which in turn re-transfers gains from the destination to the origin countries.

Zooming in on Egypt in particular, and to address the low-female engagement in previous calls, this study shows that integrating women in the migration dialogue can primarily be achieved through setting working conditions, in the Egyptian market, that are more accommodating for women. Ideally, enforcing these working conditions in the sectors that are identified as already attractive for women: food processing, textiles and garments, electronic assembly, education, and health care to name a few. This ensures increasing female labour force participation and integration in the labour market, and in turn, increasing migration prospects. Coupling the previous with raising awareness among potential female migrants (migrants that express interest to migrate)- familiarising them with the required administrative procedures of departure and formalisation of the process- will ultimately provide maximum results.

Other than the gender lens, the study provides a detailed analysis of the electric and electronics (E&E) sector and is therefore well-positioned to provide sector-specific recommendations. The study spells that Egyptian policy sees the need to move towards enhancing education and educational quality- particularly stressing on specialised rather than broad technical skills. Also deemed essential is the initiation of bilateral dialogues



and agreements with potential countries of destination, to provide a streamlined and facilitated matching and migration process. And after proving successful in the Elsewedy Technical Academy (case study provided in full text), Egyptian policy makers are also encouraged to widely adopt the dual education model, while involving employers in curriculum development.

Although these recommendations stem from the study of the E&E sector, the status-quo of the sector is largely universal (similar across all sectors), and so the recommendations can safely be generalised and extended to most of the economy.

As for the country of destination, in the context of this study and through the specific lens of evaluating brain drain, the country of destination is mostly recommended to encourage and support return migration of their immigrants. By encouraging return migration, as explained above, the country of destination would be allowing maximum benefit to the country of origin alongside its own benefit, which reiterates its commitment to minimise or avoid brain drain in the origin country.

In avoiding brain drain, the country of destination could also contribute by aiding in the financing of upskilling, training, and expanding the labour pool. Specific contributions could happen in the form of financing education and training, and possibly providing technical support in tandem.

In pursuit of all the previous, the migrant's benefits from migration are inevitably maximised. There might not be specific recommendations to the migrant per se, but the migrant is ought to position themselves on the desired path. On their educational journey prior to migrating, for instance, the migrant should choose the most widely recognised educational institution, to facilitate recognition of skills. She/he should also submerge themselves in migrant and aspiring migrant networks, while being attentive to any calls, such as THAMM, that might be made by institutions. This increases their chance of learning about available migration opportunities and being well-familiar with the process. Also, upon migrating, the migrant is expected to engage in transnational activities and return migration, while actively channelling remittances. Doing so will increase the chances of an aspiring migrant to successfully migrate, and throughout the migration journey, maximise their benefits and their country of origin's benefits from the experience.



1. Introduction



With more than 281 million migrants all over the world, migration is becoming increasingly important that it has been set as a priority on many countries' agendas¹. Both destination countries as well as origin countries are affected by the migration process given what this movement brings to the economies of the sending and receiving countries.

Historically, Egypt has been a country of origin, but also a country of destination. The mid 1950s, when migration was still greatly restricted, marked the beginning of Egyptian awareness of the role of migration as a labour market distress mechanism. The restrictions on migration of Egyptians were relaxed by the Government of Egypt (GoE) and by 1967, the temporary migration of Egyptians tended towards more permanent ones, especially for skilled workers.

The GoE started in the 1970s to regard emigration as a means of easing pressure on the Egyptian labour market at a time when the growth in labour supply was adding pressure on the demand. Temporary migration to the Gulf-oil producing countries has increased significantly with the main aim of getting a high-paying job to improve the standard of living of their families in Egypt. The permissive policies towards migration continued in the 1980s and beyond for the development impact of migration in terms of remittances, first, and the relieving of the continuing and ongoing pressures on the labour market.

For the past 50 years, migration has eased the pressure on the labour market, especially during the oil boom years, as most Egyptian migrants were working in the Gulf countries². Since the Egyptian migration responds directly to political conditions and labour market mechanisms, then any changes in these two factors, whether in Egypt or internationally, will initiate changes in the migration pattern of Egyptians.

The potential development impact of migration, in addition to the differences in the nature of migration, has rendered migration to the GCC countries as more rewarding. Zooming in, the Egyptian labour migration scene can be classified into two main systems. The first and more dominant is the one linking Egyptian migrants to the labour markets of the GCC countries, Jordan and Libya. The second is the one regarding the Egyptian labour migration to countries of the Organization of Economic Cooperation and Development (OECD) with the EU and USA receiving the highest percentage within this system.

¹ McAuliffe, M. and A. Triandafyllidou (eds.), 2021. *World Migration Report 2022*. International Organization for Migration (IOM), Geneva.

² American Chamber of Commerce in Egypt, "Brief of Conference: Human Resources in Egypt: Maximizing our Best Asset" January 27, 2009.



Egyptian migration to Europe is considered a permanent one administered by family ties considering the rights to citizenship within this system of migration³.

During the last two decades, migration has received special attention at the policy level, due to the massive increase in the working age population and a more general shift in the demographic structure of Egypt. Migration has therefore started to be regarded as a means to relieve the pressure on the labour market and provide several gains, outweighing the potential costs of brain drain. With the importance of migration and how the process attracts many of Egypt's young people, experts in the field of migration studied the patterns of Egyptian migration, the main destinations, the different forms of migration, with limited economic studies on the developmental impact of migration.

The European Union (EU) and Egypt have been moving forward engaging on shared priorities including developing a framework for regular political dialogue between two partners and enhanced cooperation in a number of key sectors. This was further strengthened through a jointly agreed action plan contributing to developing bilateral relations and providing a basis for increased cooperation in the political, social and economic fields. The EU and Egypt are committed to the full protection of the rights of migrants. The political declaration of the 2015 Valletta Summit and the Joint Valletta Action Plan provides the main context for cooperation between the EU and Egypt in the field of migration. The EU supports the GoE's efforts to strengthen its migration governance framework, including strategies for migration management as well as addressing the root causes of irregular migration. In its continuous efforts to collaborate with Egypt in migration affairs, the EU is committed to establishing cooperation on regular and irregular migration and mobility.

Germany, amongst the EU member countries, is namely a key partner for Egypt in the migration realm. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), has been implementing projects across the country. GIZ also works on behalf of other German Public Sector clients and international organisations. The priority areas agreed with the GoE include, but are not limited to, sustainable economic development for employment.

2. The Egyptian Scene

Migration, being a very dynamic and diverse arena, is affected by not a single, but the majority of the economy's characteristics. Thereby, examining the different labour-

³ Zohry, A. (2006). (Working paper). *Egyptian Youth and the European Eldorado: Journeys of Hope and Despair* (Vol. 18). Danish Institute for International Studies.



characterising structures and trends of the economy (demographics and employment, for instance) is deemed essential in pursuit of accurately examining the migration scene, especially given the structure of the Egyptian labour market.

2.1 Demographic and Labour Market Indicators

Demographic change is a powerful development indicator where the economic growth of the country is influenced by the supply-side labour market indicators through the size of the labour force and human capital, among other variables. Accordingly, the changes in the age structures of the populations of the developed and developing countries has significant implications for the economic growth of both regions through their direct implications on the quantity of labour supply. Realising the demographic dividend, where economic growth is driven by a change in the structure of the country's population comes with the increase in the activity rate of the working age population and the productivity of the economically active population boosting the per capita incomes. Therefore, the increase in the share of the working age population that different countries of the world experience at different points in their lives should ideally allow the country to realise its demographic dividend before that share starts falling again. Even though Egypt is currently going through its third phase of demographic transition, driven by the shift from high to low mortality rate while fertility rates remain relatively high, Egypt has not managed to realise its demographic dividend.

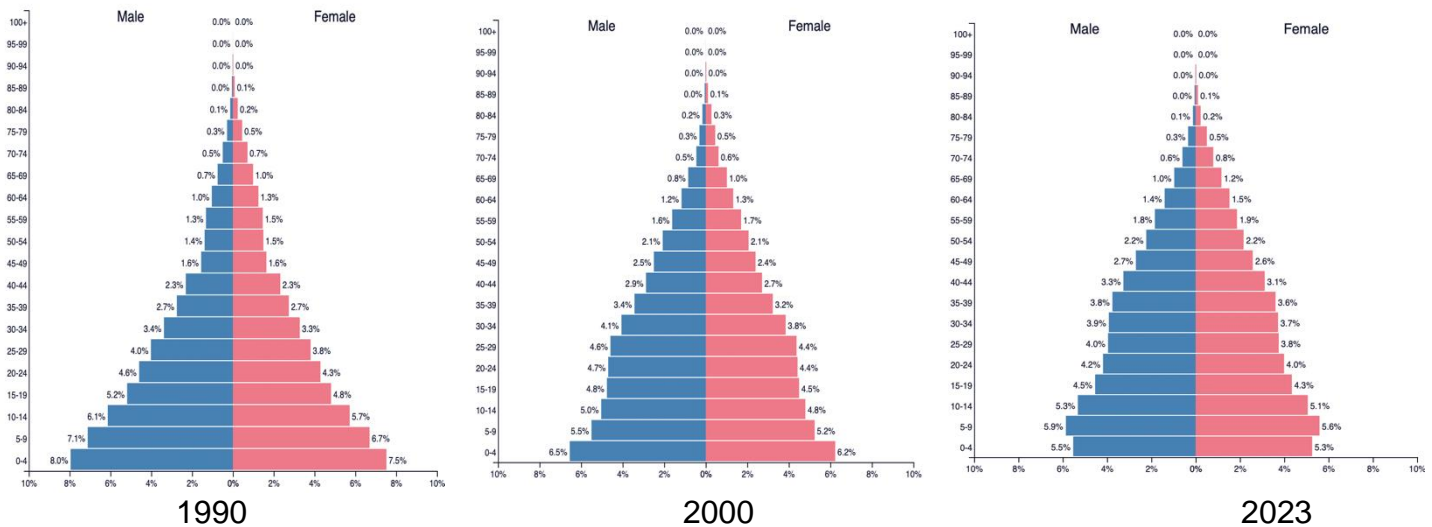
Down from 2.3 percent, Egypt is currently experiencing an annual population growth rate of 1.94 percent⁴. Despite the drop, this rate is still faster than the global population growth rate of 0.8 percent per annum for the year 2022. Egypt has experienced a relative drop in fertility rates lagging behind the drop-in mortality rates. This drop in fertility rates should ideally foster female labour force participation and allow the reallocation of investments towards child education and human capital.

Figure 1 below reflects the demographic composition of Egypt at three different points in time, 1990, 2000 and 2023. The population pyramids, showing the gender composition of the population by age groups of 5 years, showing changing patterns across the three time periods. This pattern is driven by the birth and death rates and the hidden momentum of population growth and its impact on the working age population.

⁴ *Egypt Population 2023 (Live)* (2023). Available at: <https://worldpopulationreview.com/countries/egypt-population>.



Figure 1: Egypt population distribution by gender and age group



Source: populationpyramid.net

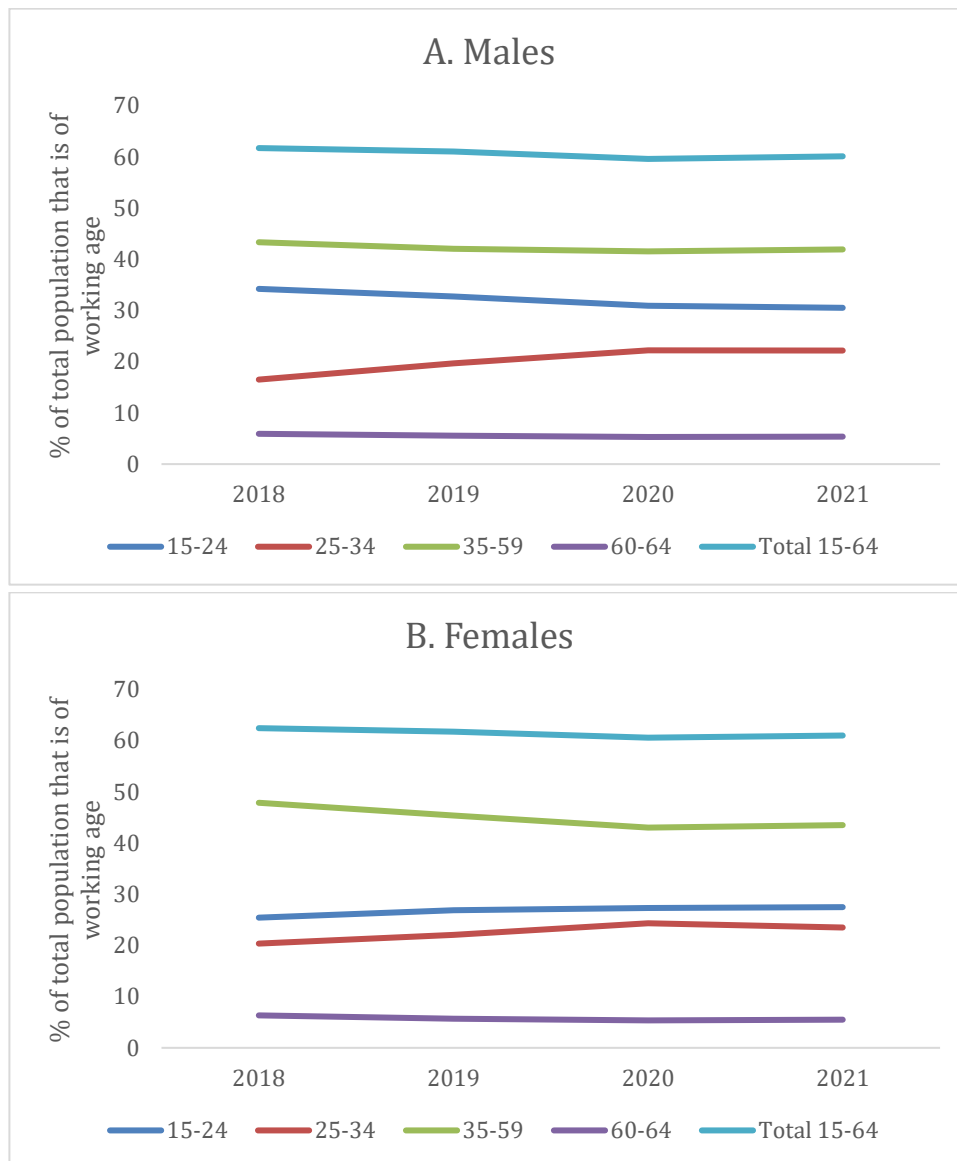
The bottom of the pyramid is showing the changes in the birth rates in Egypt continuously declining from the 1990s till 2023. The pyramid also shows that Egypt has had a bulge in the age group 10-14 and 15-19. This age group started to make their way to the working age in the 2000s. This has produced two bulges in 2023, a bulge in the school aged population (5-9) referred to as the echo of the 2000s youth bulge, as well as a bulge in the 20-34 age group. This distribution plays a significant role in the economic growth and development of the country. According to the population pyramid of Egypt, approximately 33 percent of the Egyptian population is below the age of 14 as opposed to 25 percent in the age group of 15-29 (27.5% in 2000) and 15 percent in the age group of 30-39 (14.5% in 2020). This shows the shift in the bulge in the population in Egypt with a decline in the representation of youths (15-29 age group) and a slight increased representation of the relatively older age group (30-39).

2.1.1 Labour force participation and employment

This increasing population has reflected on a large working age population as reflected in figure 2 below. A large working age population is expected to allow countries to realise their demographic dividend only when proper investments in human capital are taking place. These investments include education, training and employment, where education is an empowering tool for employment. These investments along with the right policies and the macroeconomic environment ensures reaping the benefits and realising the returns to investments in education and employment.



Figure 2: Working age population by gender and age group, ages 15-64, 2018-2021



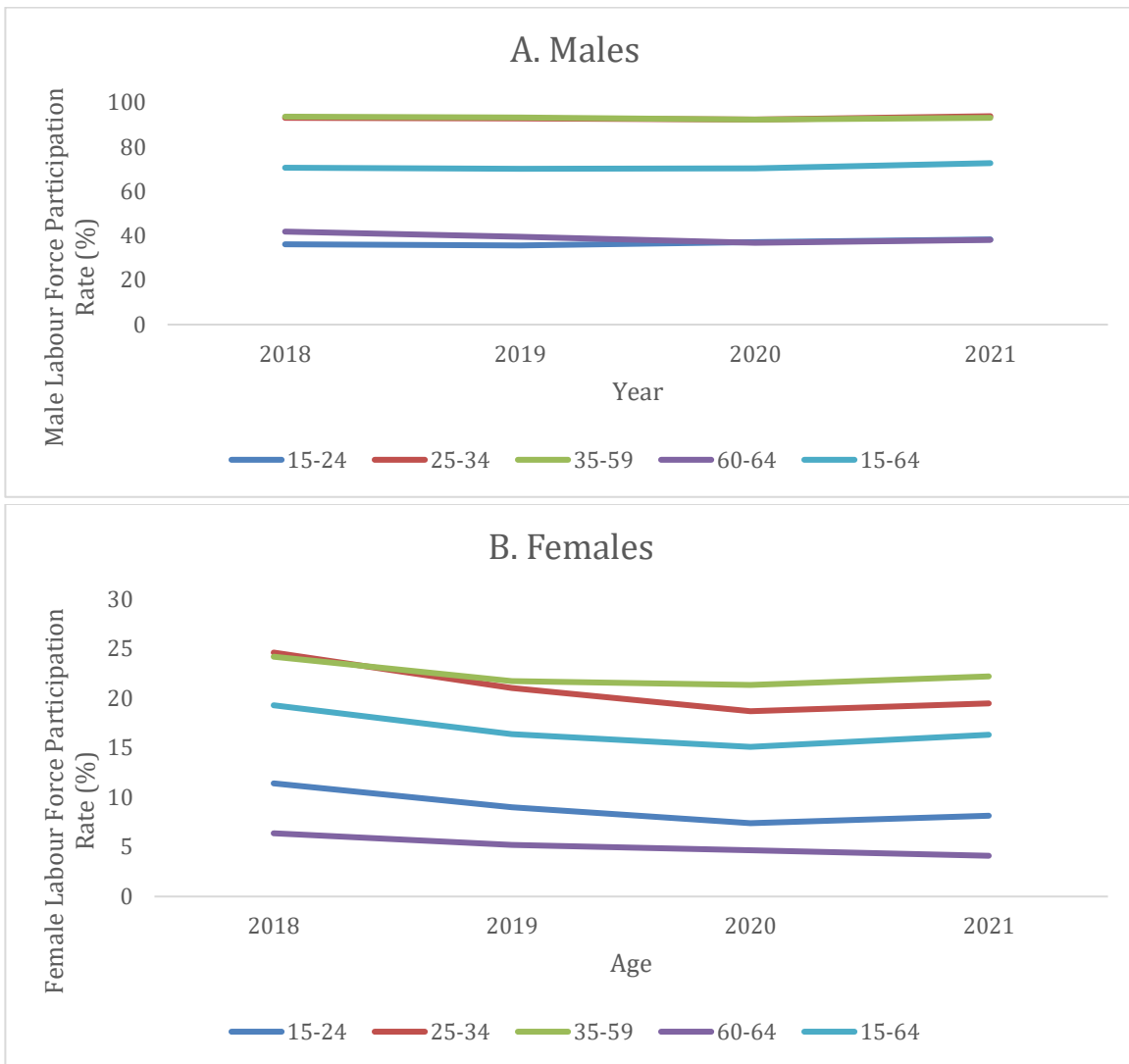
Source: Author's own calculation using Egypt's Labour Force Survey (2018-2021)

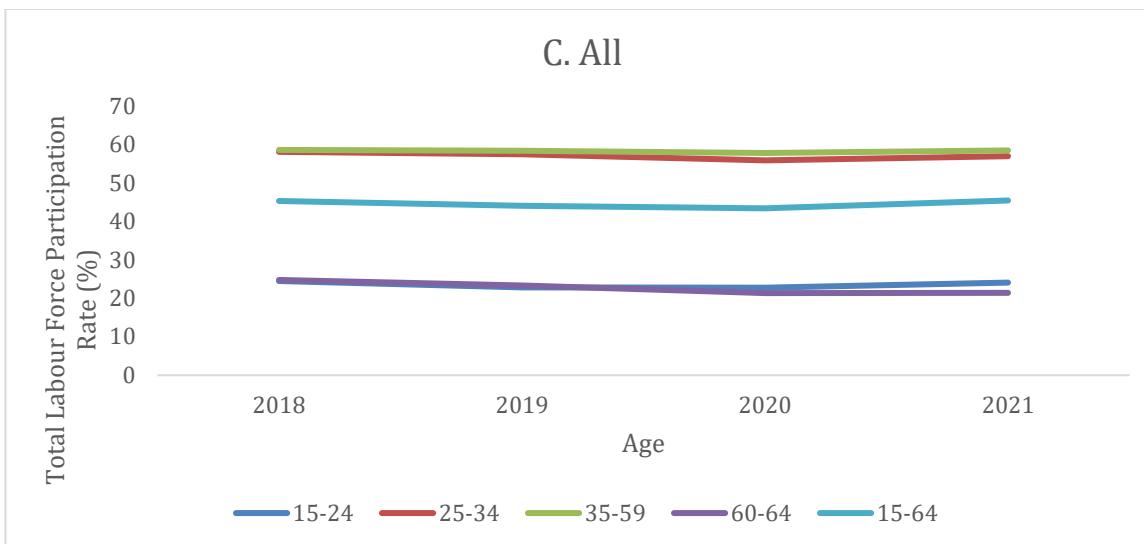
The youth population still represents a significant portion of the population of Egypt and present a number of challenges related to the labour market. The first is depicted in figure three below showing that Labour Force Participation Rates (LFPR) are still limited particularly for females. LFPR in Egypt vary significantly according to the age group and gender. Total LFPR for Egypt have not exceeded 50 percent throughout the decade reaching 45.45 percent in 2021. This shows that at least half of the working age population were inactive during this period. The rates differ significantly between males and females.



LFPR for males is significantly higher than that of females throughout the period, reaching 72 percent for males while only 16.3 percent for females.

Figure 3: Labour force participation rate by gender and age group, ages 15-64, 2018-2021





Source: Author’s own calculation using Egypt’s Labour Force Survey (2018-2021)

The population growth rates, and demographic transitions do not reflect the full picture in the relationship between the demographic structure and economic growth. This relationship only reflects the supply-side of the labour market. The demand-side of the labour market is to the most part represented in the job availability and the skills in demand, needed to reflect on the employability and extent of mismatch in the labour market.

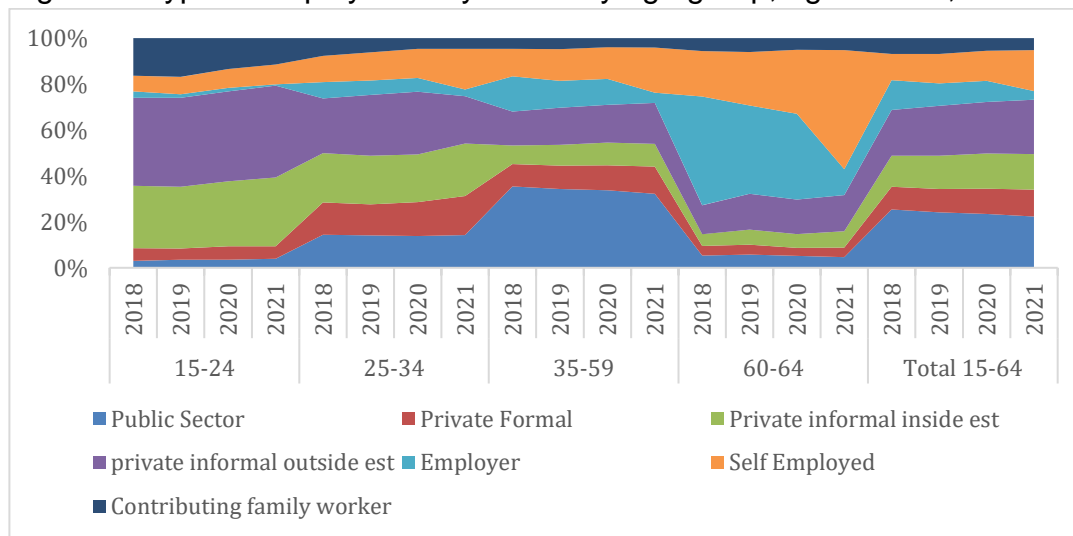
The public sector used to be a major source of employment, however the capacity of the public sector to create more jobs has decreased or disappeared altogether. The pressures and challenges facing the private sector limiting its capacity to absorb the growing labour force has paved the way for the private informal sector to become the main absorbent of young entrants into the labour market. Small and Medium Sized Enterprises (SMSE) have appeared as main contributors to formal employment and job creation. However, with this capacity to create jobs, the small-sized nature of these enterprises limits their capacity to absorb the increasing labour force. This setup has created a situation where the highly educated and skilled job seekers either resort to informal employment in the private formal or informal sector, exit the labour market or migrate to where better job opportunities are found.

Figure 4 below shows the type of employment by sector by age group for the years 2018-2021. Type of employment show a variation by age group. In 2021, the informal employment, inside and outside establishments, formed a larger share of employment for the younger (15-24, 25-34) age groups. Informal employment inside and outside establishments formed 30 and 40 percent of the total employment for the 15-24 age groups, respectively. On the other hand, the public sector employment dominated the relatively older age groups, recording a rate of 32 percent for the 35-39 age groups as opposed to only 3 percent for the 15-24 age group. Private formal employment has



recorded rates of 15 and 11 percent for the age groups 25-34 and 35-59, respectively, for the year 2021. This shows that role of the public sector in employment is diminishing with time, highlighted in the very low shares for the younger age groups, and replaced by the private informal sector, inside and outside establishment. Ragui Assaad argues that informality is the only alternative to those who cannot afford the wait given the lack/limited access to income driven by a number of reasons among them is the structural change in the Egyptian economy and the shift away from the agriculture sector.⁵ This structure has led to the expansion in the size of the informal sector and the wide representation of the middle and low skilled workers in that sector while having a limited role in attracting the highly skilled unemployed individuals, or women, given the social stigma.

Figure 4: Type of employment by sector by age group, ages 15-64, 2018-2021



Source: Author’s own calculation using Egypt’s Labour Force Survey (2018-2021)

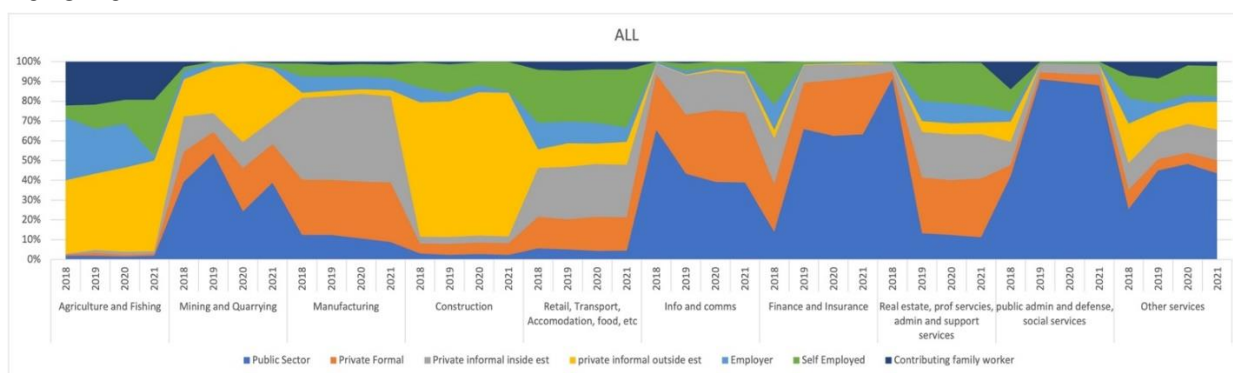
The structure of employment in the Egyptian labour market is highly reflective of the non-uniform rise in job creation across sectors. The type of employment differs by economic sector. Manufacturing and Information and Communications are the sectors with the largest share of formal private employment, recording 30 and 35 percent, respectively, with a large share of informal inside establishment employment. While Finance and Insurance and Public Administration and Social Services record the largest shares of employment in the public sector (63 and 88 percent, respectively). Private informal employment inside and outside establishments are dominating in the manufacturing (43 percent) and construction (72 percent) sectors, respectively. For males and females, public sector employment was concentrated in the Public Administration and Social Services with 90 and 80 percent, respectively. Private informal employment outside

⁵ ICMPSD. “Linking Human Capital, Labour Markets and International Mobility: An Assessment of Challenges in Egypt, Jordan, Morocco and Tunisia, 2020”, www.icmps.org/file/download/53066/file/LMS_EN_web.pdf%20%20%20.



establishment is more dominating among males (27 percent) when compared to females (4 percent). The Agriculture and Construction sectors appear to be the most contributors to precarious employment in the form of private informal employment outside establishments. The private formal sector does not play a significant role in employment as opposed to informal employment (inside and outside establishments) or even public employment. This expansion of informality and job precariousness is having its impact on the quality of life and living standards.

Figure 5: Type of employment by sector by age group and economic sector, ages 15-64, 2018-2021



Source: Author’s own calculation using Egypt’s Labour Force Survey (2018-2021)

From a demand perspective, table 1 below shows the ranking of economic sectors with respect to their contribution to the total value added and their contribution to employment. The construction and services sectors were able to absorb and compensate for the decline taking place in other sectors. The manufacturing sector, for one, employs only approximately 12-13 percent of total workers, with a drop that is more limited than other sectors. The mining and electricity sectors have been facing sharp declines in job creation when compared to the more limited drop in manufacturing. However, given the size of the sub-sectors, this moderate decline in the employment rate in the manufacturing sector, was however reflected into a sharp decline in the number of people employed, given the relatively larger size of the sector.

Table 1: Ranking of Economic sectors according to share in Employment and Value Added (2017)

Sectors with highest shares in Value Added	Sectors with highest shares in Employment
1. Services sector: Wholesale and retail trade, transportation, and storage	1. Agriculture, Forestry and Fishing 2. Wholesale and Retail Trade 3. Transportation and Storage 4. Accommodation and Food Services



2. Industrial sector: manufacturing, mining and quarrying	5. Public Administration and Social Services
3. Public administration and Defense, Education and Health	6. Construction
4. Other Manufacturing	7. Manufacturing
5. Agriculture, Forestry and Fishing	8. Other Services
6. Real Estate	9. Mining and Quarrying
7. Construction	
8. Financial and Insurance Activities	
9. Information and Communications	

The demand-side nature of the labour market has revealed trends that are unique to young individuals including unemployment, informality, and underemployment. Unemployment that is concentrated among the young, educated generations is considered one of the main challenges of the Egyptian labour market, where youths represent approximately 80 percent of the unemployment in Egypt, with the problem being more pronounced for the younger new entrants to the labour market.

2.1.2 Education outcomes

Understanding these challenges would actually start by understanding the education outcomes of young people and how it may have consequently impacted their labour market outcomes. The large population growth is reflected in an education system with approximately 20 million students enrolled in pre-tertiary education, a number that is expected to grow with the growth in the school-aged population. Access to education and school enrolments have witnessed a significant improvement. Returns to investments in education, on the other hand, remain low. The main challenge remains to be the quality of education and the consequential mismatch between the education outcomes and the labour market demands.

With a more specific focus on the Technical and Vocational Education and Training (TVET), it is believed to be producing skilled workers who are more adaptable to the changing labour markets. It is however very limited in how much it absorbs students at the secondary level, where it is absorbing less than one quarter of all secondary students.

Despite its potential contribution to the labour market, the TVET education is perceived as a less prestigious second-class path of education that is undervalued by the population. The labour market outcomes and career paths for the graduates of the TVET education is the main reason for this societal downgrading, where graduates are usually stuck in low-paying low-prestige jobs. It is not perceived as an education path that equips graduates for employment in the public or the private formal sector.

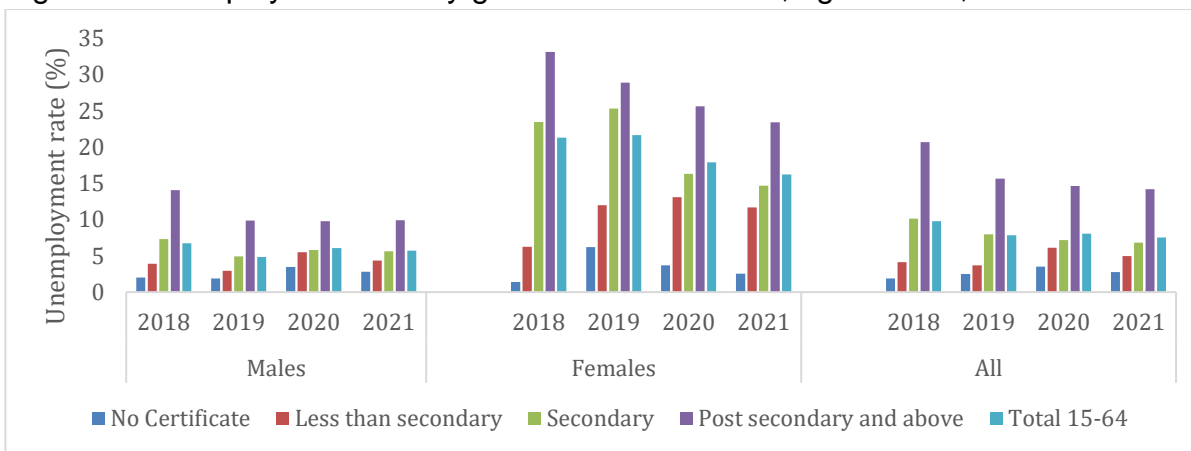


The GoE is focused on improving the quality of education mainly through improving curricula, providing efficient technology, effective leadership in schools and opportunities for professional and internal development of teachers. Understanding the significance of TVET education in Egypt, education policymaking has been addressing TVET education separately while focusing on strengthening the structure of technical schools and building the capacity of education personnel, areas identified as priorities by the GoE.

2.1.3 Unemployment and labour underutilisation

The same reasons driving the unemployment rates in Egypt are also the ones driving informality. Figure 6 below shows that unemployment is worse among the educated ones who can better afford the wait until a “good job” is secured. Unemployment rates vary significantly by gender, but also by education attainment. There is a high correlation between education attainment and unemployment rates, collectively, but also separately for males and females. Unemployment rates have recorded it highest levels in 2021 among the highly educated (post-secondary and above) recording 10 and 23 percent for males and females, respectively.

Figure 6: Unemployment rate by gender and education, ages 15-64, 2018-2021



Source: Author’s own calculation using Egypt’s Labour Force Survey (2018-2021)

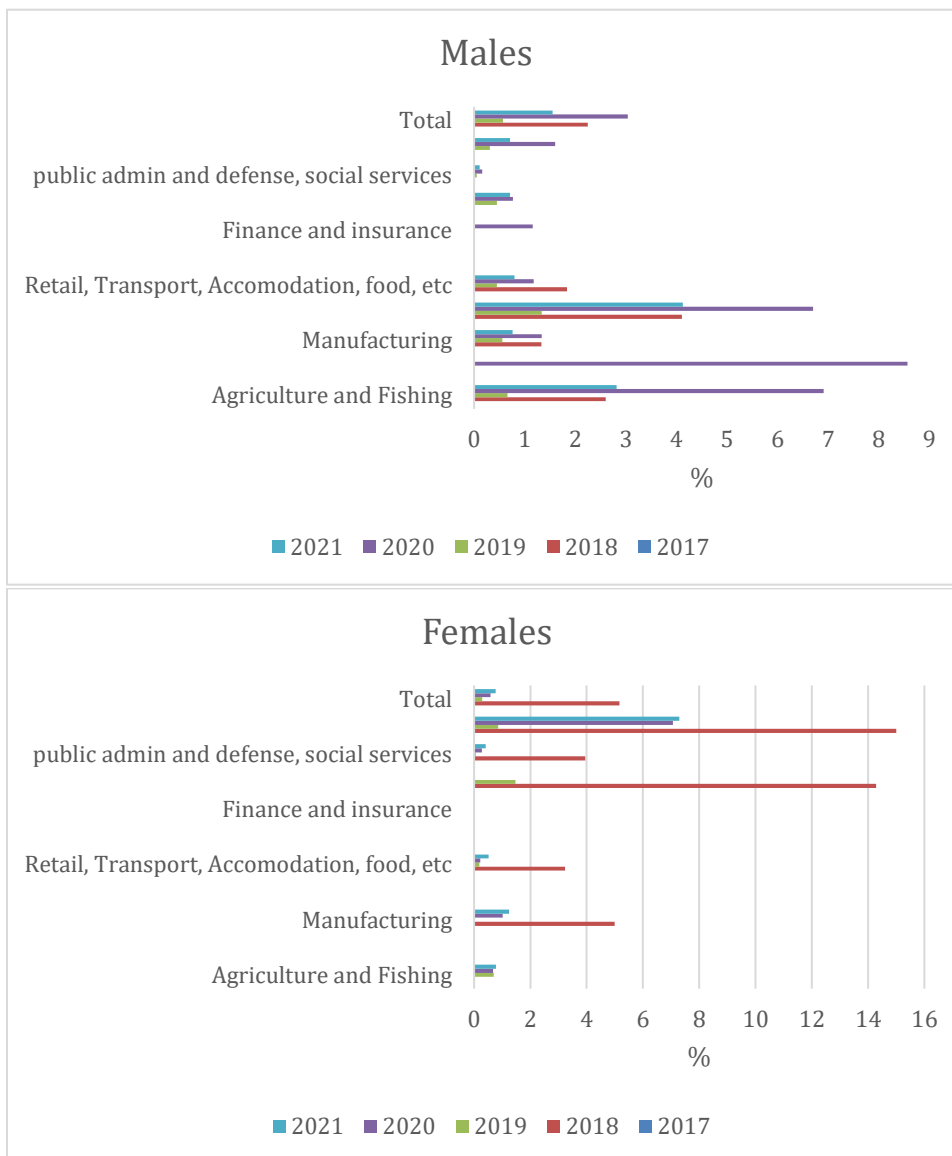
Other than the above characteristics and trends of employment in Egypt, underemployment is another prevalent phenomenon, where employees are not employed to their full potential and to the full utilisation of their skills and competencies and is therefore considered a form of labour underutilization. Two main forms of underemployment are presented here, time related under employment and skills related underemployment. Time related underemployment represents the percentage of the employed (15-64) working less than 35 hours per week, wanting to change work and/or wanting additional work in total employment. While skills related underemployment is an

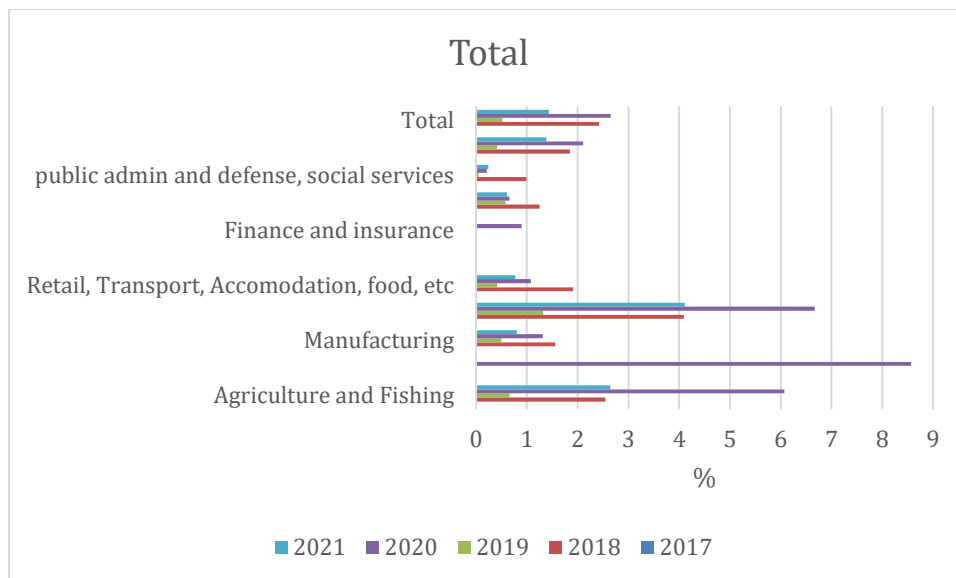


indicator of the mismatch among the employed individuals with educational attainment higher than that required by their occupations.

Although not significantly high, but time-related underemployment has been showing an increasing trend between 2018 and 2020 with the rates decreasing slightly in 2021. This trend has been consistent for males and females, across all age groups, educational levels, and economic sectors.

Figure 7: Time related underemployment by gender and economic activity, 2018-2021





Source: Author's own calculation using Egypt's Labour Force Survey (2018-2021)

Skills related underemployment were highest among Information and Communications and finance and insurance. The overall rates are similar between males and females, except for some sectors where the rates are higher among females, for example the information and communications and the construction sector. There are also other sectors with higher rates among males, for example public administration and social services.

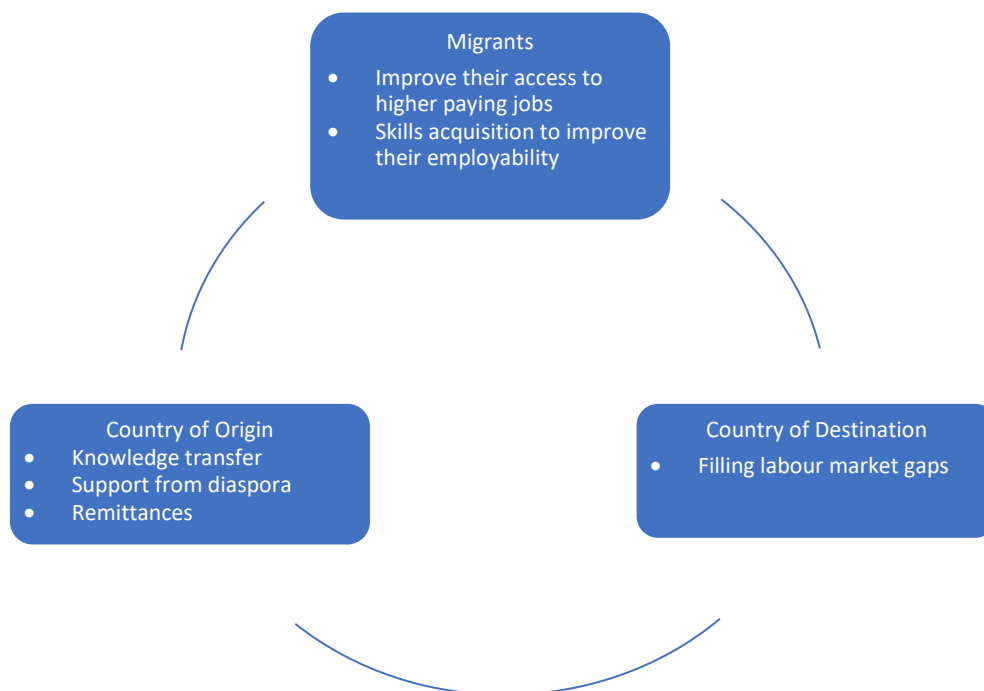
Underemployment is more prevalent among new entrants to the labour market. This potentially highlights the significant presence of a mismatch between education and the labour market. Such gap between education and the labour market creates disturbances in the labour market due to underemployment or unfulfilled employment, and impacts individuals aspiring to migrate with regards to recognition of skills as whichever skills are taught are rarely translated into their jobs and thus cannot be accurately addressed.

2.2 The THAMM Programme

The current conditions of the labour market in Egypt have been fuelling aspirations to migrate among the young people in Egypt. The younger generations are looking to move to countries where they can make use of their skills and/or access higher paying opportunities improving the standard of living of their families. The migration of young people is often considered risky for the brain drain implications of these moves. However, a “fair and safe” migration contributes to the development of the migrant, the country of origin and destination, achieving a triple win situation. Figure 8 below highlights the triple win aspects of international migration.



Figure 8: The Triple Win of International Migration



The regional programme “Towards a Holistic Approach to Labour Migration Governance and Labour Mobility in North Africa (THAMM), an example of a governed migration programme that fosters “safe and fair” migration, is jointly funded by the European Union (EU) and the German Federal Ministry for Economic Cooperation and Development (BMZ). THAMM is executed through five specific objectives:

SO1: Existing national frameworks in the field of migration and mobility are technically supported according to the needs and priorities of the National Government (implemented by ILO/IOM)

SO2: Mechanisms for assessment, certification, validation and recognition of migrants' skills and qualifications are improved (implemented by ILO/IOM)

SO3: Migration related knowledge and data management in the field of legal migration and mobility is improved (implemented by ILO/IOM)

SO4: Mobility Schemes are established and/or improved (implemented by GIZ)

SO5: Cooperation between relevant stakeholders in the field of legal migration and mobility, in particular job placement, is improved (implemented by ILO, IOM and GIZ)

THAMM, through its implementing agencies, GIZ Egypt, in coordination and partnership with the Ministry of State for Emigration and Egyptian Expatriate Affairs (MoSEEEA) and as specified in the specific objective 4, prepares, establishes and supports labour mobility



between Egypt and Germany. This component is structured and implemented through four main axes:

- Axis 1: Mobility schemes to pilot regular labour migration
- Axis 2: Regional exchange on learning experiences and networking
- Axis 3: Tools for partner institutions in the area of labour migration
- Axis 4: Competences for vocational training institutions

The first axis pilots labour migration and mobility routes to Germany organised so as to place young Egyptians in Germany as skilled workers or apprentices who go through a dual vocational training in German companies. The selection and placement of candidates from Egypt and their placement in Germany is carried out in close cooperation with MoSEEEA and the International Placement Services (ZAV), a division of Germany's Federal Employment Agency (BA).

The implementation of the Mobility Schemes involves four main lines of work:

- Assessment, analysis and matching of sectors and professions, based on the needs of the German labour market and the supply of the Egyptian labour market
- Candidate Skilled Workers and Apprentices selection for regular migration and placement in the German labour market, in close cooperation with the relevant partners in Egypt and Germany
- Support for the process of recognition or partial recognition of qualifications for Skilled Workers
- Pre-Departure Orientation for candidates through on-site language and intercultural training, assistance on departure to Germany and support during the first six months in Germany

The second axis is focused on establishing national and regional exchange formats between the different stakeholders involved, in order to foster inter-institutional exchange and sharing of expertise, good practices and experience on labour mobility and regular migration.

The third and fourth axes both form the Capacity Development arm of the GIZ's work within THAMM. The third focuses on providing institutional partners in Egypt, starting with MoSEEEA, with the appropriate instruments to analyse and promote labour migration, through capacity development plans and measures in the field of mobility management of Egyptian skilled workers and apprentices to Germany. The fourth axis, on the other hand, focuses on the capacity development of vocational training and qualification institutions, also establishing measures and elaborating plans, with the aim of strengthening their capacities in the field of labour migration to Germany.



Achieving its objectives and in alignment with the overall THAMM programme goals, calls for applicants for the job placement of skilled workers in Germany as well as for candidates for the dual vocational training in Germany are announced and publicly shared in the aim of the recruitment of the most suitable candidates. The calls for applicants have been listing down the eligibility criteria for candidates applying for these calls. Table 2 below summarises the eligibility criteria used for each call.

Table 2: Eligibility criteria for the job placement and the dual vocational training

Job placement	Dual Vocational Training
<ul style="list-style-type: none"> ● Resident in Egypt and holder of an Egyptian nationality. ● Job seeker ● Should not be holding a permanent job contract with a governmental entity. ● Not younger than 21 years old and not older than 40 years old by the time of submitting the application. ● Specialisation in one of the sectors advertised for working in Germany. ● Holder of at least a technical diploma in the same field of specialisation applied for. ● Not a holder of a relevant academic degree. ● At least 2 years of professional experience in the same field of study and specialisation applied for. ● Good knowledge of the English language 	<ul style="list-style-type: none"> ● Resident in Egypt and holder of an Egyptian nationality. ● Job seeker. ● Age between 18-25 years old by June 2023 ● Holder of at least a secondary school certificate (general or technical). ● Not a holder of an academic degree. ● Short training/experience in the same sector would be an asset. ● Good knowledge of the English language. ● For males: exemption or completion of military service.

2.3 Insights from THAMM Programme

The THAMM programme, through its different calls, has managed to successfully connect a considerable number of candidates to employers and trainers in Germany. The candidates form 36 and 29 percent of the total applicants for jobs and training programs, respectively.



Across calls, there has been a witnessed increase in the number of selected candidates, however, there appears to be a consistent decline in the number of candidates placed and the number of women among the candidates selected. The number of candidates placed remained very low for the first two calls and has gone even lower for the last two calls. Moreover, women have completely disappeared from the number of candidates selected beyond the first call.

For the apprentices, two calls were made, in January and November 2022. Trends across calls have been differing between skilled workers and the apprentices. The average number of selected candidates is significantly higher for the apprentices, as opposed to the skilled workers. Despite a decent placement rate for the first call, the second call has not managed to achieve similar success. This could be related to the time needed to successfully place the workers so more time is needed to draw further conclusions here.

Analysing the number of applicants, selected, and successfully traveling candidates by sector, there is an increase in the number of applications. However, the selection rate and the successful matching are still low. This can be explained by the language barrier (not passing or completing the language courses) or difficulty in getting skills recognised at the German side.

The summary of data from the different calls for the skilled workers and apprentices highlight three very important trends, based on which the objectives for this study are set:

- The low number of candidates selected. Selections are related to the quantity of applicants but also to the quality of applicants.
- The gender aspect, where women are having a very low representation among the candidates selected.
- Most candidates for the skilled workers and the apprentices are in the electricity and electronics sector (61% of the candidates selected)

Accordingly, this study aims to support THAMM in the analysis of the Egyptian labour market in terms of analysing the eligibility criteria used to target skilled workers and to select candidates' profiles and the gender distribution of the target groups to derive the lessons learned for future selections and the conclusions regarding the extent to which the realities of the Egyptian labour market must be considered. The study also aims at studying the effects of migration on the Egyptian labour market by closely studying the electric and electronics sector as a pilot case to drive specific and general recommendations. Accordingly, the study is divided into three sub-studies addressing the general aims of the overall study as follows:



Study1: Analysing the eligibility criteria used to target skilled workers and to select candidates' profiles.

Study 2: Analysis of the gender distribution of the target groups.

Study 3: A study on the effects of migration in the Egyptian electric and electronics sector.



Study 1: Analysing the Eligibility Criteria



3.1 Introduction

Germany's migration system is defined to be one that is skills sensitive. Labour market shortages exist and persist in several defined economic sectors, including but not limited to the manufacturing sector, healthcare, hospitality, and construction. Jobs in sectors more exposed to skills certification are also ones that provide training and re-training opportunities. However, it remains to be one that has a sophisticated recognition process for the occupation-specific skills. This has dictated an eligibility criterion that highly focuses on the skills and competencies of the applicants/candidates whether for the job placement or for the dual vocational training. This highlights the benefits associated with the migration prospects to Germany through the THAMM programme highly represented in the support provided to applicants/candidates in the recognition of qualification and in navigating through the requirements of the German system to manage to provide the full profile and documentations needed for the recognition of qualifications.

This process has dictated a strict eligibility criterion that the GIZ Egypt has been following for the recruitment of candidates and applicants for the THAMM job placement and dual vocational training programs. This strict eligibility criteria, aiming at recruiting the potential candidate for a smoother mobility to Germany has been challenging given the realities of the Egyptian labour market and the extent of matching between these realities and the profile of the candidate/applicant in question. Despite the outreach and recruitment efforts, the pilot phase of the THAMM programme has not been able to thoroughly achieve its recruitment target. This is primarily due to the frictions existing between the candidate profile in the eligibility criteria and the reality of the labour market outcomes in Egypt.

This study provides data driven evidence of potential migrants in Egypt while understanding their socio-economic background as well as their human capital and labour market outcomes. Understanding the profiles of potential migrants could allow the comparison between the group identified as potential migrants in Egypt and those targeted for recruitment as defined in the eligibility criteria. Achieving this objective, the study depends on national labour market data, through the labour force survey (2021), the Egyptian Labour Market Panel Survey (2018) and the Survey of Young People in Egypt (2014). This analysis provides an initial point in the understanding of the reality of the labour market outcomes, the mismatch between the education outcomes and the labour market outcomes aiming to identify the discrepancy in the profiling of the eligible



candidate for the THAMM project. Moreover, the outreach and recruitment plans followed by the THAMM programme through its pilot phase are matched with the realities of outlets for job search in Egypt in the aim of allowing these efforts to reach the potential candidate in an efficient manner. Table 1 in the previous section of this study was providing a general overview of the overall eligibility criteria of THAMM. Table 4 below is further specifying the components of eligibility criteria in discussion based on the analysis presented in this study.

Table 4: The selected elements in the eligibility criteria

Job Placement in Germany	Dual Vocational Education in Germany
<ul style="list-style-type: none"> • Job seeker • Specialisation in one of the sectors advertised for working in Germany. • Holder of at least a technical diploma in the same field of specialisation applied for. • Not a holder of a relevant academic degree. • At least 2 years of professional experience in the same field of study and specialisation applied for. 	<ul style="list-style-type: none"> • Job seeker. • Age between 18-25 years old by June 2023 • Holder of at least a secondary school certificate (general or technical). • Not a holder of an academic degree. • Short training/experience in the same sector would be an asset. • Good knowledge of the English language.

The analysis of the secondary data on the Egyptian labour market and the main labour market studies analysing the outcomes and circumstances of youth in the Egyptian labour market has alluded to the fact that the eligibility criteria is restricting in terms of its requirements for the potential candidate. The labour market data analysis highlights the difficulty of finding a candidate who would combine the specific conditions emphasised. A vocational education graduate within the age group defined with a specialisation in which s/he had completed at least two years of professional experience in the same specialisation and is without a job while applying for the opportunity is a combination that is very rare according to the findings of the secondary data. Similar restrictions have appeared to apply to the dual vocational training applicants. The primary data and interviews with the key employers in one of the sectors (Electric and Electronics sector) has alluded to recruitment patterns in the sector that confirm the difficulty in attracting the applicant in question.

3.2 Migration Aspirations

While very few studies address migration aspirations, in the international and more so in the Egyptian context, a survey on Netherlands to determine the link between potential migration and actual migration has concluded that intentions are good predictors of future



emigration, where the forces that trigger aspirations are also the same that make people actually migrate⁶. In the Egyptian context, evidence using the 2009 Survey of Young people in Egypt (SYPE) has concluded that no significant differences exist in the profiles of potential and actual migrants using the same survey year.⁷ This shows that if not a perfect predictor, but aspirations to migrate could provide useful insights into the determinants of actual migration.

Building upon existing ambitions, several factors impact the degree to which they are translated to actual, sustainable migration outcomes. These factors may include obstacles related to the process itself whether through an increased financial burden or a complicated legal procedure which limits the possibility of actually migrating.⁸ While some of these factors cannot be controlled, there is most certainly room to reduce the impact of other limiting factors such as those related to procedural challenges. It is also highlighted that aspiring migrants that are work-oriented, have high achievement and power motivation combined with low affiliation motivation and family centrality tend to showcase higher possibilities of realising migration successfully.⁹

The literature goes further to divide the determinants of migration aspirations/realisation to include demographic and family related, socio-economic, other individual factors, community, and country of origin. Larger households and consequently higher number of siblings both encouraged migration provided that the size of the family did not provide favourable exposure to the local labour market through family name or control in the community, and in that regards, urban households had the upper hand when it came to driving migration aspirations. Furthermore, socioeconomic status demonstrated a U-shaped relationship indicating that migration was least popular amongst the poorest and the richest strata of the population given that the richest do not have the economic need to migrate and resources needed to finance migration are not readily available amongst the poorest in the population.¹⁰

Moving to the Egyptian context, a study of actual as well as aspiration for migration to Europe of males aged 18-40 has concluded that low wages and salaries in Egypt, as well as the lack of employment opportunities, especially among young new graduates fuel the aspirations to migrate.¹¹ Literature using SYPE managed to create a profile of who aspires

⁶ Van Dalen, Hendrik P., and Kène Henkens. "Emigration intentions: Mere words or true plans? Explaining international migration intentions and behavior." *Explaining international migration intentions and behavior* (June 30, 2008)

⁷ Elbadawy, Asmaa. "Migration aspirations among young people in Egypt: Who desires to migrate and why." In *Economic Research Forum*. 2011.

⁸ Aslany, Maryam, Jørgen Carling, Mathilde Bålsrud Mjelva, and Tone Sommerfelt. "Systematic review of determinants of migration aspirations." *Changes* 1 (2021): 18.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Zohry, Ayman. *Egyptian youth and the European Eldorado: Journeys of hope and despair*. No. 2006: 18. DIIS Working paper, 2006.



to migrate with the main focus being on the socio-economic and demographic variables as well as the employment status. The study concludes that unemployment has positively affected the aspirations to migrate among young people, in addition to general worry about their future in the country of destination.¹²

In combining evidence from literature with primary surveys and questionnaires, Egyptian youth were less likely to aspire to migrate in the 2014 edition of SYPE when compared to the 2009 results. When following up with those who aspired to migrate in 2009, actual migration outcomes were very low in 2014, especially for short-term migrants, hence highlighting the complexity of the process that prevents the realisation of migration or the possible lack of awareness that youth face disabling them from going through with realising their aspirations.¹³

The 2011 revolution is a crucial milestone in this analysis as unstable economic conditions and reactions of GCC countries to the uprising had a direct impact on the likelihood of youth aspiring to migrate or actually being able to leave the country. It is further emphasised that in 2014, migration aspirations were rising among discouraged workers¹⁴, and the aspirations to migrate to Western countries as opposed to Arab States especially among the younger individuals were increasing. The push factors remain to be summed in the better income abroad and the worsening living conditions as well as the deficient working terms and conditions in Egypt.¹⁵

In combining the above dimensions and while looking at the Egyptian Labour Market Panel Survey (ELMPS) waves to further understand the profiles of migrants, Abdelwahed and Jiang (2020) show that male youth, who are wealthier, with higher education and with social networks encouraging migration still dominate the profile of potential migrants. The pull factors in the form of the better quality of life, higher incomes and more job opportunities abroad remained consistent throughout the period 2009-2014, while push factors such as political challenges and security concerns were more impactful in 2014 post the 2011 revolution. In that sense, the current unstable global economic outlook which is severely affecting Egypt could have a similar effect worth considering.

¹² Elbadawy, Asmaa. "Migration aspirations among young people in Egypt: Who desires to migrate and why." In *Economic Research Forum*. 2011.

¹³ Roushdy, Rania, and Maia Sieverding. "Panel Survey of Young People in Egypt (SYPE) 2014: Generating evidence for policy, programs, and research." (2015).

¹⁴ Discouraged workers are defined as non-employed workers who are not looking for jobs as they believe they will not be able to find one.

¹⁵ Ibid.



3.3 Labour Market Dynamics in Egypt

As previously highlighted, it is important to understand the distribution of the youth population across the different education systems along with their labour market status. ELMPS 2018 shows that approximately a quarter of the sample surveyed are graduates of technical education, the majority of which have graduated from commercial, industrial and agriculture specialisation, forming approximately 80 percent of the overall technical secondary graduates. Understanding the labour market status of the graduates could add insights into the extent of underemployment as defined by the ILO.

The ILO has defined general conditions required to meet the full employment status in the labour market. The ILO has defined these conditions to include:

1. Availability of work for all persons who are available for and seeking work;
2. Such work is as productive as possible;
3. That it is freely chosen by workers, who should have the fullest possibility to qualify and use their skills and endowments in a job for which they are well suited” (ILO, 1985).

In that regard, underemployment is a labour market condition witnessed in the absence of the above conditions, and is also sometimes tied to working hours per week; full employment is achieved when an individual is employed for at least 35 hours per week. The absence of the above conditions results in shortage of employment resulting in unemployment, but also time related underemployment and discouraged workers. Underemployment is expected to have its implications on job quality indicators where even though individuals at hand are technically employed, the prevalence of underemployment hinders job satisfaction and job quality perception, making them potential migrants in pursuit of better opportunities¹⁶.

ELMPS 2018 shows that approximately half of the technical school graduates in the highlighted specialisations (commercial, industrial, and agricultural) are employed as irregular waged workers in the private sector or in the informal sector. This shows the limited matching opportunities available to provide formal and regular jobs for technical school graduates. This could either be explained by the limited available job opportunities for this type of education or the limited matching between the demand and the supply. This limited matching can be explained through skills, information, or geographical mismatches.

Table: The distribution of type of employment by specialisation in technical education (percentage), 2018

¹⁶ Ferhat, Samia, and Clement Jean Edouard Joubert. *The Early Career Dynamics of Informality and Underemployment: Evidence from the Arab Republic of Egypt*. No. 10499. The World Bank, 2023.



	Self-employed (Agr.)	Self-employed (non Agr.)	Employer	Unpaid family work (Agr.)	Unpaid family work (non Agr.)	Irregular wage	Informal private	Private formal	Public enterprises	Government
Commercial	1.03	5.5	5.25	33.5	1.5	13.25	20.89	7.38	0.88	10.75
Industrial	0.8	7.2	4.56	13.5	1.3	18.07	29.1	10.9	2.88	11.55
Agriculture	1.8	8.5	5.5	14.2	0.97	26.9	23.26	7.34	0.85	10.5

Source: Author's own calculations using ELMPS 2018

Investigating the employment status of the individuals, ELMPS 2018 shows that among the sampled individuals, approximately one third are employed as irregular waged workers or in the private informal sector. Adding the unpaid family workers, both in agriculture and non-agricultural activities, this proportion goes up to approximately 60 percent.

The sample surveyed through ELMPS 2018 shows that approximately 20 percent of the sample show working hours that are less than 40 hours per week. The majority of this group belong to the waged worker group, including the formal and informal workers. This shows the extent of time related underemployment in terms of working hours in the Egyptian labour market matching the national findings presented in figure 7 in the previous section of this report.

A broader view is seen when looking at the different occupations according to the education backgrounds of employees. ELMPS 2018 shows that education specialties are relevant in a select few occupations such as medicine and engineering. Otherwise, it is clear that for other specialties such as teaching, hospitality and even ICT technicians, there is no correlation with a specific area of education.

The above mismatch is supported by recent literature as well, specifically as educational attainment in general has been increasing but not reflected in employment outcomes, even without considering the matching between education specialisation and occupation.¹⁷ The issue is amplified when the workings of the educational system are analysed, as the system has been focusing on credentials more than skills or quality, and while that is the case, such credentials have been reaping very little benefits in translating what is being taught to jobs abroad.¹⁸ Privilege and social status are also extremely significant determinants of employment, which further explain the lack of coherence between education and occupation, and thus often leading to the result of informal work or underemployment.

¹⁷ Assaad, Ragui, and Caroline Krafft. "Excluded generation: the growing challenges of labor market insertion for Egyptian youth." *Journal of Youth Studies* 24, no. 2 (2021): 186-212.

¹⁸ Ibid



Beyond the criteria above, another lens through which the Egyptian labour market is analysed has to do with the quality and quantity of jobs faced by graduated cohorts of students across different educational types. In that regard, recent evidence from Egypt, through a 2023 World Bank report, shows a negative correlation between employment rates and employment quality. This means that those graduating into a market with high employment rate negative job quality outcomes in the form of informal work and underemployment¹⁹. The report explains this relationship reflects “cyclical variation in labour market conditions dominating scarring effect.” In other word, the abundance of job opportunities would drive some cohorts to forgo initial opportunities in the hopes of better ones in the near future. These findings would require extra investigation from a behavioural perspective and a longer data span to validate this behaviour across the different economic cycles. The reasons are not fully supported but evidence supports that underemployment is more prevalent among new entrants to the labour market, which provides a clearer picture of the status of potential candidates for THAMM²⁰. Such aspects of the labour market in Egypt further emphasise previous analysis that encourages looking beyond unemployment to define the market, as the dynamics are far more complex than simply employment and unemployment.

The previous analysis highlights an important aspect of the Egyptian labour market in terms of employment status of individuals. The data used for the sake of this analysis belongs to the year 2018. However, secondary research is not showing a significant improvement in the situation of the labour market, especially in terms of skills matching and the spread of informality. The current global and local economic conditions especially with COVID-19 and the disturbed global value chains has led to the slowdown in the economic activity of the private sector. This slowdown has been further driving informality and underemployment and unfulfilled employment in the Egyptian labour market. This situation is found to further impact the aspirations to migrate.

3.4 Informality and Migration

Employment status appears to be a defining factor determining aspirations to migrate. Informality in the labour market is an ongoing phenomenon in global labour markets with dire and significant impacts due to its multidimensionality and integration into several economic and social problems. While the ILO usually observes this issue in middle and low-income countries, literature shows that high-income countries are as well battling informality and calling for the transition to the formal sector, albeit often from a solely

¹⁹ Ferhat, Samia, and Clement Jean Edouard Joubert. *The Early Career Dynamics of Informality and Underemployment: Evidence from the Arab Republic of Egypt*. No. 10499. The World Bank, 2023.

²⁰ Ibid



economic perspective where the concerns are associated with lost work and taxation²¹. Despite that, they still show that the characteristics of informal workers remain to be similar across countries, with the most prevalent being poor working conditions, higher levels of precariousness and lower health indicators. Similarity also exists when it comes to the marginalised groups within informal workers, mostly being youth and women, with varying severity relative to lower income economies.

Youth in the MENA region are most disadvantaged when it comes to informality and precarity of working conditions, where they show that youth form 85 percent and 87.5 percent in informal employment in the Arab States and North Africa, respectively²². Corruption, unequal rights and discrepancies in economic inclusion are usually behind the severity of informality among the youth. It is further shown that structural adjustment programs, the shrinking of the public sector, household wealth, parent employment and education and area of residence (rural/ urban) are considered the most impactful causes of informality²³. Informal employment is found to increase and prevail during periods of economic stagnation as was first apparent after the Arab Spring. The economic instability in 2015/16 and again in the current phase of Egypt's economy is also highlighting that the informal sector is bound to expand in Egypt²⁴.

The determinants of joining the informal sector and the prerequisites for the transition to a formal one is key to understanding the profile of potential migrants in Egypt. Among the most significant factors challenging the transition to a formal sector include availability of decent formal jobs, socioeconomic status, skill mismatch and recognition of qualifications. Beyond transition factors, entrapment factors also play a significant role in indicating what future employment prospects are. The impact of these two factors is evident in analysing employment transitions between the 2012 and 2018 rounds of the ELMPS where 76 and 32 percent of men and women, respectively, aged between 20-59 across the time period at hand failed to transition out of the private informal sector.²⁵ On the contrary, we are actually witnessing reverse trends with a significant number of transitions occurring between 2012 and 2018 are from the public and the private formal sectors to the informal sector. This shows that not only people are consistently choosing to remain in the informal sector, but we are witnessing further transitions from the formal sectors to the informal

²¹ Julià, Mireia, Francesc Belvis, Alejandra Vives, Gemma Tarafa, and Joan Benach. "Informal employees in the European Union: working conditions, employment precariousness and health." *Journal of Public Health* 41, no. 2 (2019): e141-e151.

²² Alazzawi, Shireen, and Vladimir Hlasny. "Youth labor market vulnerabilities: Evidence from Egypt, Jordan and Tunisia." *International Journal of Manpower* 43, no. 7 (2022): 1670-1699.

²³ Ibid.

²⁴ Elsayed, Ahmed, and Jackline Wahba. "Informalisation dynamics and gains: Why want a job contract?" In *Economic Research Forum Working Papers*, no. 1001. 2016.

²⁵ Deng, Jingyuan, Nelly Elmallakh, Luca Flabbi, and Roberta Gatti. "Labor Market Transitions in Egypt Post-Arab Spring." (2022).



one. This highlights the growing and expanding size of the informal sector in Egypt. While investigating further, it was evident that informal employment tends to provide more favourable outcomes for the highly educated males as opposed to females and uneducated individuals.

3.5 Examples from Other Countries

Several learning outcomes could be established when analysing the experiences of other similar countries with vocational education and its integration into the labour market. Turkey is an example where several stakeholders in the country have been exerting significant efforts into implementing a structure where the benefits of vocational education and training are capitalised upon, and that is most evident in the 2023 strategy by the Ministry of National Education²⁶. Among these efforts are general strengthening of the vocational system and its syllabi and introducing it at both the secondary level as a four-year education and training program and students can choose between a technical or a vocational institution; at the tertiary level, further education is available²⁷. High school students who graduated from the institutions above have better employability compared to regular high school graduates, with LFPR of 66.1 percent when compared to 54.2 percent in 2018²⁸. However, there remains an issue with the extent at which the graduates end up in jobs that perfectly match their skillsets. There are also low levels of employment in the private sector, mainly related to the general low number of graduates. Actions to combat this trend are present in the form of collaborations and partnerships with the private sector to drive VET employment.

Other countries, such as Tunisia, present an experience where the country is able to leverage upon its existing embedded relationships with France, which has an impact on several aspects but specifically education²⁹. This eliminates a huge bottleneck that is the language barrier when it comes to considering a similar migration model as with THAMM. In Tunisia, students have the option to opt for vocational education for two years after they receive the nine years of basic education, after which they are eligible for the “Certificat d’Aptitude Professionnelle” (CAP), a French certification, hence removing the second bottleneck that is related to recognition of skills.³⁰ Furthermore, this certificate enables them to receive further VET training and obtain the “Brevet de Technicien Professionnel” (BTP), which is equivalent to a Bachelor’s degree, and there are even

²⁶ Mahmut, Ö. Z. E. R., and Hayri Eren Suna. "Future of vocational and technical education in Turkey: Solid steps taken after Education Vision 2023." *Eğitim ve İnsani Bilimler Dergisi: Teori ve Uygulama* 10, no. 20 (2019): 166-192.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Oeben, Melanie, and Matthias Klumpp. "Transfer of the German vocational education and training system—Success factors and hindrances with the example of Tunisia." *Education Sciences* 11, no. 5 (2021): 247.

³⁰ Ibid.



further degrees that equate to a Master's degree³¹. Essentially, this example is limiting due to several of the benefits the country enjoys due to the nature of the relationship between Tunisia and France. It also highlights how that the Tunisian Ministry of Vocational Education and Employment is keen on ensuring that graduates of vocational education are well-equipped and endure sufficient training as a tool to reduce the social stigma and associate the sector with high skilled and capable individuals.

3.6 Potential integration of Refugees in Egypt

The formal economic integration of refugee workers in Egypt would require work permits, under the current legal framework, these work permits are not obtainable. This highlights the potential of including refugees in the THAMM programme, if the eligibility criteria is more relaxed on conditions related to prior formal economic integration. Primary research has shown that training courses and learning platforms within the field of electrics and electronics are widely available for refugees, thus giving them the necessary prerequisites to enter the job market should the legalities become streamlined. There is also a large degree of flexibility that allows them to enter the market as self-employed or informal workers in order to implement their skills and contribute to their development, and the literature supports that indeed the vast majority of refugees are present in the informal sector³².

Given the roadblocks in terms of work permits and access to education in general within Egypt, this might position the refugees as potential apprentices for THAMM. This is supported by the fact that due to the limited number of opportunities already available, they will only have to overcome similar obstacles as Egyptian candidates such as the language barrier and recognition of skills, and so their process will not be more complex. The fact that most refugees operate within the informal sector also indicates that recruiting possible candidates will be aligned with the early recommendations of this study.

3.7 Conclusion and Recommendations

The analysis of this study aims to answer a few questions based on the secondary research and data to better improve the implementation of the THAMM programme and allow it to achieve its potential.

Accordingly, the analysis shows that the eligibility criteria being used thus far in the programme's pilot components (Axis 1) is not in full congruence with the realities of the Egyptian labour market. Referring to table 2 above, the candidate for the job placement needs to be a job seeker who is specialised in one of the sectors with a technical diploma

³¹ Ibid.

³² Norman, Kelsey P. "Urbanization, informal governance and refugee integration in Egypt." *Globalizations* (2021): 1-16.



in that same field and with at least two years of experience in that field of study and specialisation applied for. This combination is the starting point of highlighting one of the main challenges of the Egyptian labour market namely the education and skills mismatch (education and skills).

Considering evidence from the literature and the secondary data analysis, there is a great deal of promise in attracting candidates who are not certainly unemployed, where most youth are not even looking for jobs, and thus are either informal workers, underemployed or discouraged workers. The current realities of the Egyptian labour market allude to a great deal of mismatch and the role of the informal sector in providing higher returns to education, especially for technical and vocational education graduates. As previously highlighted, unemployment in Egypt is highest among the higher educated youth. University graduates in particular tend to remain unemployed, and experience longer spells of unemployment waiting for the right job that would match their education status. Technical and vocational graduates mostly resort to the informal sector if a formal sector opportunity was not made available.

Following that thought, another challenge facing the Egyptian labour market is the skills mismatch, where young people either have the wrong type of skills not matching the ones in demand by the market, or not of the quality aspired. Therefore, a candidate who has a vocational degree in a specialisation and is able to find a job within that field of specialisation, having worked there for two years or more and is currently unemployed and actively looking for a job is hard to find. Given the high demand in the market for this particular type of worker, and as migration aspirations drop significantly with age³³ (as evidenced from the SYPE09) add another layer of difficulty in attracting this profile of candidates. In this aspect, it is shown that with age, individuals may experience a change in family situations, such as getting married, which were found to halt the migration process on many occasions³⁴.

Moreover, evidence shows that the type of candidate aspired is not one that looks for a job through the internet. ELMPS 2018 shows that less than 1 percent of job seekers look for jobs through search in the newspaper and the internet as opposed to 48 percent looking for jobs through asking a friend or relatives. It is further shown that individuals who have connections with others who have migrated are more likely to be encouraged to do the same.³⁵ Therefore, attracting potential candidates by building on networks and community could yield better results and would ensure higher motivations and

³³ Younger individuals also had higher aspirations, 21.8% for ages 15-17 compared to 18.8% and 14.7% for ages 18-24 and 25-29 respectively, and they showed a preference for Europe.

³⁴ Aslany, Maryam, Jørgen Carling, Mathilde Bålsrud Mjelva, and Tone Sommerfelt. "Systematic review of determinants of migration aspirations." *Changes* 1 (2021): 18.

³⁵ Ibid.



willingness. This is especially relevant when considering the long history of migration in Egypt and its significance within households; where literature shows that 15 percent of households represented in the ELMPS12 have existing migrants or returnees³⁶. They further show that 41 percent of youth reported hearing back about migration experiences from friends or relatives abroad, thus emphasising the significance of networks that encourage candidates to pursue transitioning their life abroad. This would also be useful if the projects work on correcting some misconceptions about migration and bringing the reality closer to possible candidates to possibly have a massive effect on increasing the likelihood of bringing mere aspirations to existence.

Recognition of skills remains to be a major obstacle in the migration process where individuals struggle to translate their educational outcomes into labour market jobs. Egypt has recently taken more solid steps towards improving the matching between the skills in demand and those supplied by the education system through the Applied Technological Schools. The schools are more focused on the specific training of students and assessments are mainly conducted by employers in the field. This guarantees the supply of workforce that are trained and own the skills that allow them to match easily with the labour market. The initial findings of the modernised systems followed by this school are referring to a better matching system among vocational workers. The experience of these schools is still limited in terms of covering the different geographical locations and specialisations. However, the expansion of these schools and generalising the experience to the different specialisations could improve the quality of workers supplied to the local labour market. Not only that, but this could help overcome the challenge of skills recognition when attempting to find opportunities in international markets.

³⁶ Roushdy, Rania, and Maia Sieverding. "Panel Survey of Young People in Egypt (SYPE) 2014: Generating evidence for policy, programs, and research." (2015).



Study 2: Analysis of the Gender Distribution of the Target Groups

4.1 Introduction

The German Federal Ministry for Economic Cooperation and Development (BMZ) is working to eliminate discriminatory structures for all marginalised groups, including women. Accordingly, it has set up the German Feminist Development policy that serves as a vision and basis for all instruments of German development policy. There are three main objectives of the policy: equal rights, access to resources, and equitable representations (3 Rs). To achieve these objectives, the policy has set out three main points of action: gender mainstreaming, gender budgeting, and internal diversity. For instance, the BMZ encourages its implementing organisations to systematically integrate the strengthening of the “three Rs” into programme planning and delivery. In addition, the implementing organisations are encouraged to integrate feminist core elements into their work. For instance, projects that have an objective of gender equality will receive greater funding in the upcoming years. By having a gender dimension and aiming to recruit women in the programme, the THAMM programme is taking a part in narrowing the existing gender gap with respect to the migration opportunities present in the Egyptian labour market.

This study evaluates the gender dimension of the THAMM programme. Among the conditions preset for THAMM is achieving a 40 percent target of recruiting women in the programme. This target is considered a challenging one considering the realities of the role and participation of women in the Egyptian labour market. The challenge can be briefly summarised in the rather limited role of women in the Egyptian labour market; the challenges facing women to actively participate in the labour market as well as the cultural and traditional barriers hindering women’s mobility.

Analysing the main challenges facing the participation of women in the Egyptian labour market, the economic engagement of women, and more specifically those with vocational education, are the main aspects defining these challenges. This study, accordingly, analyses the demand-supply side of women in the Egyptian labour market while providing examples of initiatives undertaken by the governments of other developing countries to facilitate the mobility of women.

4.2 Female Labour Force Participation

According to the World Bank, Female Labor Force Participation (FLFP) rate is defined as the percentage of females aged 15 and above that are economically active. In Egypt, such rate has never exceeded the ceiling of 25 percent and has recently been decreasing, reaching a low of 16.3 percent in 2021 for females aged 15-64. This relatively low rate of



participation has been attributed to demand and supply side factors. The former can be explained by how employers' demand for female workers shapes their participation rate. It can include the types of jobs available, the growth rates of the private and the public sectors, etc. The latter, on the other hand, is related to females' willingness and ability to join the labour force. This can include their education level, social and cultural norms, and their opportunity cost of entering the labour market.

Assaad shows that the labour force participation rates of women are low, driven by a traditional gender paradigm which explains the low participation rates but not necessarily the more recent declining trend³⁷. Assaad also explains that certain sectors are traditionally accessible for women presenting a nature that shows segmentation of the labour market along gender lines. This shows that women, in general, prefer the public sector given the work conditions that are more favourable to women when compared to the private sector.

For the supply side of the labour market, much of the literature has attributed the low level of female labour force participation to the gender norms and care work. For instance, Sayre and Hendy (2016)³⁸ showed that in Egypt, women who work in the public sector tend to keep their jobs after marriage, while those who initially work in the private sector tend to move from private wage work to private non-wage work, either joining the informal sector or working as an unpaid family member. In addition, Diwan and Vartanova (2017)³⁹ show that the existence of a patriarchal culture, on the individual and country levels, tends to have a significant negative relationship with respect to female labour force participation. Another study referred to marriage as a constraint to women, given that they tend to take on a larger share of the household responsibilities. For instance, in 2012, women who were not married engaged in 10.9 hours per week of domestic work, while those who were married engaged in three times as much. Hendy (2015)⁴⁰ also found that the domestic responsibilities do not tend to decrease, even if women are engaged in the labour market.

For the demand side of the labour market, recent literature has been alluding to the impact of labour demand and its relationship with the low female labour force participation rate in Egypt. For instance, Assaad et al have argued that the low labour force participation

³⁷ Assaad, R. (2015). (Policy brief). Women's Participation in Paid Employment in Egypt is a Matter of Policy not Simple Ideology . Egypt Network for Integrated Development.

³⁸ Sayre, E., & Hendy, R. (2016). The effects of education and marriage on young women's labor force participation in the middle east. *Young generation awakening: Economics, society, and policy on the eve of the arab spring* (pp. 72) Oxford University Press.

³⁹ Diwan, I., & Vartanova, I. (2017). The effect of patriarchal culture on women's labor force participation. Paper presented at the Cairo, Egypt: Economic Research Forum (ERF) Working Paper, (1110)

⁴⁰ Hendy, R. (2015). Women in the Egyptian labor market: An analysis of developments, 1988-2006. Retrieved from <https://erf.org.eg/app/uploads/2015/12/907.pdf>



for females is due to the decline in employment opportunities in the public sector which has not been met by a proportional increase in the opportunities present in the private sector⁴¹. In particular, it was shown that participation rates among women can differ according to which stage they are in their life course, their education level, and their region of residence. For example, less educated women tend to be limited to self-employment or unpaid family work, while more educated women tend to prefer working in the public sector for its associated benefits (working hours, maternity leave, etc.). Assaad et al show that unmarried women can work in the private sector but tend to quit, once they get married as well as the general consensus that female participation in the labour force tends to be lower in the rural areas as opposed to urban ones⁴². In addition, Sayre and Hendy showed that the private sector tends to not hire women due to the increased cost and absenteeism that are expected, once a woman becomes a mother⁴³. Furthermore, Assaad shows that the private sector in Egypt is getting defeminised, which can be dissected into two main causes; the first is related to how jobs are getting de-feminised and there is no corresponding feminisation in jobs that are dominated by men, and the other factor is the shift in composition of the labour market towards jobs where males are disproportionately represented⁴⁴. Moreover, based on primary research, it can be concluded that employers in the electric and electronics (E&E) sector in Egypt have not hired female technicians before and have alluded to the fact that employers have not considered this as an option. This shows that the possibility of hiring female technicians in the sector is a novel idea and will need various initiatives to be effectively disseminated.

4.3 Vocational Education in Egypt

According to the European Training Foundation (ETF), technical education in Egypt is divided into four main categories; industrial, commercial (focused on the services economy), agriculture, and tourism. Each category comprises various specialisations. For instance, the industrial category offers specialisations in automotive, electric installations, furniture and production, textiles, and ready-made garments, etc. The commercial category, on the other hand, includes specialisations such as secretarial jobs, insurance, legal affairs, purchasing, etc. In addition, the agriculture category has specialisations including animal production, food processing, crops, etc. Furthermore, the tourism category includes specialisations such as housekeeping, services, tour guiding, etc. In the 2018/19 academic year, the highest level of female enrolment rate was in the

⁴¹ Assaad, R., Hendy, R., Lassassi, M., & Yassin, S. (2020). Explaining the MENA paradox: Rising educational attainment, yet stagnant female labor force participation. *Demographic Research*, 43, 817.

⁴² *Ibid*

⁴³ Sayre, E., & Hendy, R. (2016). The effects of education and marriage on young women's labor force participation in the middle east. *Young generation awakening: Economics, society, and policy on the eve of the arab spring* (pp. 72) Oxford University Press.

⁴⁴ Assaad, R. (2002). Informalization and de-feminization: Explaining the unusual pattern in egypt. *Rethinking Labor Market Informalization: Precarious Jobs, Poverty, and Social Protection*, 20.



commercial category in which women accounted for around 60 percent of the enrolled students⁴⁵. This is followed by the industrial and the tourism categories with a rate of 37 and 32 percent, respectively⁴⁶. Finally, the rate of female enrolment in the technical secondary agricultural schools is the lowest, amounting to 15 percent (ibid). In addition, the Ministry of Health and Population (MoHP) along with Ministry of Education and Technical Education (MoETE) administer 200 technical secondary nursing schools that offer a 5-year programme⁴⁷. This programme supplies the largest share of qualified nurses, out of which approximately 80 percent are female⁴⁸. Furthermore, based on primary research, it has been shown that in one of the technical academies in the E&E sector, women constitute more than the majority of students.⁴⁹ This indicates that the supply of female technicians is abundant, but not being properly allocated. However, the result of this case should be treated with caution as it might not be applicable in other technical academies.

4.4 Females in the Egyptian Labour Market

4.4.1 Female Migration Analysis

The emigration process in Egypt has gone through different phases; from being strictly controlled from the mid-50s to the early 60s to lifting all restrictions on labour migration by the 1971 constitution. As early as 1979, the remittances amounted to \$2 billion which was, at the time, equivalent to the sum of cotton exports, Suez Canal fees, and tourism revenues. The demand for Egyptian labour peaked in 1983 but then this was followed by an increase in the flow of return migrants and a decrease of the labour demanded abroad⁵⁰. Recent studies, however limited, have also started changing from focusing on the role of women in the process of female migration to the recent feminisation of migration.

Earlier studies have focused on the importance of studying family dynamics to understand the pattern of female migration. For instance, Zlotnik showed that this importance stems from how women not only benefit but are also hindered by the family reunification policies in place and how women are catering to the needs of the family by either migrating or participating in the labour force⁵¹. In addition, women tend to rely on their families for

⁴⁵ International Labour Organization Prospects. (2021). Technical and vocational education and training (TVET) mapping for refugees, asylum seekers and host communities in Egypt. (). Retrieved from https://www.ilo.org/wcmsp5/groups/public/---dgreports/---ddg_p/documents/publication/wcms_806890.pdf

⁴⁶ Ibid

⁴⁷ Ibid

⁴⁸ Ibid

⁴⁹ Will be discussed in more details in the final study of this report

⁵⁰ Roman, H. (2006). *Emigration policy in Egypt*. (). CARIM Analytic and Synthetic Notes.

⁵¹ Zlotnik, H. (1995). Migration and the family: The female perspective. *Asian and Pacific Migration Journal*, 4(2–3), 253–271. doi:10.1177/011719689500400205



support to smoothen the migration process. In addition, Sandell explains that the decision for women to migrate for family purposes does not seem to be imposed⁵². However, he emphasised that when a family decides to migrate, a wife's labour market outcome is considered but does not necessarily materialise in the country of destination. In particular, her contribution to family income is considered but the husband's increase in income, due to migrating, offsets the loss of her income in the country of destination. Moreover, several studies have shown that female migrants tend to be harmed more than men in terms of employment, occupational status, and earnings⁵³. Accordingly, one study has shown that the increase of female labour force participation rates in the 1970s hindered those of family migration⁵⁴.

More recently, studies have focused on the reasons behind the feminization of migration and how this impacts women's labour market outcomes. One study analysed the effect of migration on Egypt's development by examining the available laws as well as the characteristics of female emigrants and their emigration reasons. It first divided emigrants into two types: temporary and permanent. It was shown that only one-fifth of female temporary emigrants migrate for economic reasons. Hence, the patriarchal Egyptian context is important in understanding the reason behind having a low female migration rate. In addition, it was shown that females with higher levels of education tend to migrate more, independently of the migration reason. The study also showed that in Australia female permanent emigrants can be grouped into two extreme groups: females with low level of education and without employment (whether unemployed or inactive) or ones with high level of education and professional work positions⁵⁵. Another study showed that a small percentage of emigrants are women with most residing in the Gulf area while some are found in Italy, Cyprus, and France. It also showed that most Egyptian women who emigrate are either following their husbands or migrating independently, for professional or educational purposes⁵⁶. More recently, Abdelwahed et al. (2020)⁵⁷ showed that after the 2011 Egyptian revolution, the push and pull factors of migration intentions changed. For instance, one of the prime reasons became security concerns especially for women,

⁵² Sandell, S. H. (1977). Women and the economics of Family Migration. *The Review of Economics and Statistics*, 59(4), 406. doi:10.2307/1928705

⁵³ Cooke, T. J. (2008). Gender role beliefs and family migration. *Population, Space and Place*, 14(3), 163–175. doi:10.1002/psp.485

⁵⁴ Long, L. H. (1974). Women's labour force participation and the residential mobility of Families. *Social Forces*, 52(3), 342. doi:10.2307/2576889

⁵⁵ Sika, Nadine, Gender Migration in Egypt. How far does it contribute to Development?. *Migration Policy Centre*, CARIM Analytic and Synthetic Notes, 2011/06, Gender and Migration Series. Retrieved from <https://hdl.handle.net/1814/15591>

⁵⁶ Nassar, Heba, Report on Egyptian Women Migration. *Migration Policy Centre*, CARIM Analytic and Synthetic Notes, 2011/13, Gender and Migration Series Retrieved from <https://hdl.handle.net/1814/15598>

⁵⁷ Abdelwahed, A., Goujon, A., & Jiang, L. (2020). The migration intentions of young Egyptians. *Sustainability*, 12(23), 9803.



with those with post-secondary or higher education being more likely to want to move compared to the less educated.

4.4.2 Female Migration

Recent studies, however limited, have started examining the gender patterns and characteristics of emigrants from Egypt. One study analysed the effect of migration on Egypt's development by examining the available laws as well as the characteristics of female emigrants and their emigration reason. It was shown that only one-fifth of female temporary emigrants migrate for economic reasons. Hence, the labour market outcomes of females as well as the patriarchal Egyptian context are of equal importance in understanding the reasons behind having a low female migration rate.

Sika shows that females with higher levels of education tend to migrate more, independently of the migration reason. Nassar also shows that most Egyptian women who emigrate are either following their husbands or migrating independently, for professional or educational purposes. More recently, Abdelwahed et al. (2020)⁵⁸ showed that after the 2011 Egyptian revolution, the push and pull factors of migration intentions changed. For instance, one of the prime reasons became security concerns especially for women, among those with post-secondary or higher education being more likely to want to move compared to the less educated females.

4.3. Comparative Review

For a comprehensive review on the status of female emigration, it is essential to examine the cases of other countries that succeeded at increasing the rate of their female emigration and ensuring the full integration of females in the labour market of the host country. For that, four main countries are examined: Philippines, Bangladesh, Morocco, and India. The first two countries were chosen for their high rates of female emigration, while the remaining two were chosen for the similarity to the cultural background in Egypt.

4.3.1 Philippines

The Philippines was selected in the comparative analysis as it is one of the countries that is famous for a high flow of migration. According to Tyner (1999)⁵⁹, Philippine emigration consisted mostly of male labourers to the United States. However, starting the late 1980s, the Philippines international migration started becoming more feminised. This process started with the growth of their labour deployment in external labour markets, with

⁵⁸ Abdelwahed, A., Goujon, A., & Jiang, L. "The migration intentions of young ♀♀Egyptians." Sustainability, 2020.

⁵⁹ Tyner, J. A. (1999). The global context of gendered labor migration from the Philippines to the United States. American Behavioral Scientist, 42(4), 671-689.



occupational demand in the Middle East being viewed as masculine and female workers being demanded for clerical positions. Consequently, the Middle East labour demand started shifting, once the infrastructure projects were completed and no longer needed male workers, to an increased demand for female workers who would work in the service sector. In addition, with rising incomes in many countries, more people were able to hire foreign domestic workers, for which women from the Philippines were an efficient match.

4.3.2 Bangladesh

Bangladesh was selected in the comparative analysis given the drastic increase in their female emigration and also due to being culturally close to Egypt. However, it is crucial to note that, according to Rahman (2017)⁶⁰ most Bangladeshi women do not possess the levels of education or competencies required to work in the formal sector. According to Sultana and Fatima (2017)⁶¹, female migration started in 1980 but was considerably a small proportion to the total migration rate. Subsequently, the government started relaxing the emigration laws from relaxing the age limit to lifting all bans. Accordingly, this pushed more women to emigrate with an initial focus on the Gulf and Middle East countries which then changed to become the Southeast countries. Islam (2015)⁶² shows that in general, women are more likely to be restricted to specific jobs on the international market, for instance, women tend to work in the domestic and the garment sectors. Since these jobs tend to be supplied by women with low skills and education levels, they may be subject to maltreatment and harassment. Accordingly, the Bangladeshi government has taken many initiatives to ensure the protection of the rights of migrants and promote the emigration of women. Islam (2015)⁶³ further shows that the government has adopted the Overseas Employment Policy in 2006 which has been signed with many partner countries to facilitate the organisation of overseas employment. He also shows that the government has adopted a new system that aims at promoting female emigration. This system consists of improving the level of training for women, briefing and preparing the women for the culture and norms in the host country, establishing safe houses in the Bangladesh mission abroad, and monitoring and reporting the number and living conditions of women in the host country. In addition, the Bureau of Manpower Employment and Training (BMET) in Bangladesh collaborates with other organisations to ensure the safety of Bangladeshi women in the host country, as well as the promotion of safe migration to prevent irregular migration.

⁶⁰ Rahman, M. M. (2017). *Bangladeshi migration to Singapore* Springer. Retrieved from <https://link.springer.com/book/10.1007/978-981-10-3858-7>

⁶¹ Sultana, H., & Fatima, A. (2017). Factors influencing migration of female workers: A case of Bangladesh. *IZA Journal of Development and Migration*, 7, 1-17.

⁶² Islam, M. N. (2015). *Gender analysis of migration from Bangladesh*. Ministry of Manpower Development and Social Welfare, Bureau of Manpower Employment and Training Bangladesh

⁶³ Ibid



Investigating the education and labour market aspect of Bangladesh migrant women, it can be found that the level of education attainment is very low. In the pre-departure orientation provided by the government and NGOs, migrant women are provided with training and knowledge sessions about the nature of their work and their legal rights. Despite these efforts, women might still find themselves lacking in their skills and language proficiency.

More recently, girls made up more than half of secondary school enrollment, as opposed to 17 percent in the 1970s. The emergence of the garment industry as a female inviting sector has dramatically increased the demand for female workers with some level of education. This increase in demand has consequently led to an increase in the supply of education services in response to the demand from the families to improve the education of females.

The Government of Bangladesh has put in place strong initiatives to support the access of women and girls to education and employment. The World Bank has further supported the retention of girls in secondary schools through Transforming Secondary Education for Results Operation. The government of Bangladesh has also been working on improving the employability of university graduates and building a network of women's universities and colleges. These initiatives aim at equipping women with the skills needed for the future of work and supporting key industries to re-train workers.

On another hand, the performance of the labour market in Bangladesh should also be analysed, in particular, the status of females in the labour market. Given the recent increase in the economic growth rate, Bangladesh had an opportunity to capitalise it in the labour market. However, arguments have been made that Bangladesh was only able to do so with respect to increasing the female labour force participation rate to increase from 8 percent in the mid-1980s to more than 36 percent in 2017⁶⁴. More specifically, Bidisha et al. (2022)⁶⁵ shows that the distribution of females in the economic sectors in Bangladesh is skewed towards the agricultural sector amounting to 59 percent of women in the labour force. Bangladesh has adopted many policies that, together, led to the increase of its female labour force participation rate. One strategy called “National Policy for Women’s Advancement (NPWA)” was adopted in 2008 aimed at promoting both the

⁶⁴ Bangladesh Bureau of Statistics (BBS). (2018). Report on Labour Force Survey (LFS) 2016–17. <http://www.bbs.gov.bd/site/page/111d09ce718a-4ae6-8188-f7d938ada348/%E0%A6%B2%E0%A7%87%E0%A6%AC%E0%A6%BE%E0%A6%B0-%E0%A6%8F%E0%A6%A8%E0%A7%8D%E0%A6%A1-%E0%A6%87%E0%A6%AE%E0%A6%AA%E0%A7%8D%E0%A6%B2%E0%A7%9F%E0%A6%AE%E0%A7%87%E0%A6%A8%E0%A7%8D%E0%A6%9F>

⁶⁵ Bidisha, S. H., Faruk, A., & Mahmood, T. (2022). How are women faring in the Bangladeshi labour market? evidence from Labour Force Survey Data. *South Asia Economic Journal*, 23(2), 201–227. doi:10.1177/13915614221108564



demand and the supply sides of the female labour market. These efforts included enhancing female participation in economic activities, as well as developing their capacities and eliminating discriminatory practices in the workplace. Another element that was essential is the provision of access to microcredit to women. In addition to the efforts made by NGOs in this element, the government has enabled the implementation of such schemes on a larger scale by running some of these programmes through the ministries. The government also worked on improving women's skills and promoting entrepreneurship amongst them. This included the provision of various courses targeting girls. Furthermore, the central bank created a Small Enterprise Fund, out of which 10 percent is reserved for activities led by women⁶⁶.

4.3.3 Morocco

Morocco was selected in the comparative analysis given the similarity in the cultural background to Egypt and is considered the country with the highest emigration rate in the MENA region. In addition, the THAMM programme takes place in Morocco as well. Bommès et al. (2014)⁶⁷ show that the history of Moroccan Migration to France started with the First World War (WWI), given the shortage of manpower. Most of these workers have later returned home but migration patterns to North-West Europe started increasing in the 1960s. The Moroccan government then worked on promoting emigration, with an aim of increasing remittances and those workers returning with a higher level of skills, and in turn supporting the economic development of their country. Accordingly, the government signed agreements on the recruitment of workers with West Germany, France, Belgium, and the Netherlands. These countries then became the main destinations of Moroccan migrants. Bommès et al. (2014)⁶⁸ show that more recently, the flow of Moroccan migrants to Italy has increased, to become the second destination country for Moroccans, given the increased demand for labour in agriculture, construction, and the informal sector.

The migration of Moroccan women has recently increased. For instance, the proportion of migrant women registered with the Center of Moroccans Residing Abroad (CMRE) has almost reached 50 percent⁶⁹. According to a study conducted by the Ministry of Migration and Moroccans Living Abroad, female emigration can take different forms such as: family reunification, temporary migration, and migration of services. Specifically, women migrating to the Gulf countries tend to do so for purposes of family reunification. However,

⁶⁶ Rahman, R., & Islam, R. (2013). (working paper). Female labour force participation in Bangladesh: trends, drivers and barriers. ILO DWT for South Asia and the Country Office for India.

⁶⁷ Bommès, M., Fassman, H., & Sievers, W. (2014). Migration from the Middle East and North Africa to Europe: Past developments, current status and future potentials Amsterdam University Press.

⁶⁸ Ibid

⁶⁹ Studies. Retrieved from <https://marocainsdumonde.gov.ma/en/studies/>



women migrating for a low-skilled job tend to be at risk of vulnerability. Accordingly, the Government of Morocco has implemented various initiatives to decrease the flow of female migrants to countries of risk. Such initiatives include raising awareness about the correct administrative procedure of departure and formalisation of the process. In addition, the government has developed a support system for workers, specifically women, in the host countries to provide medical, legal, and emergency support.

4.3.4 India

India was selected in the comparative analysis as it is considered to have a relatively similar cultural background to that of Egypt and there has been a recent feminization of its migration patterns. The number of Indian migrants has more than doubled over time, with a growth rate that can be compared to that of the world. The main destinations for Indian migrants are the United Arab Emirates (UAE), the United States (USA), Saudi Arabia, the United Kingdom (UK), Kuwait, Oman, Canada, and Qatar. The female migration tends to go hand-in-hand with the global trend of the region-wise migration. Similarly, the female migration has been increasing over time. In particular, there is a growing trend in the migration of low-skilled domestic workers and semi-skilled healthcare workers, in addition to highly skilled migrants and students.

The growing trend of women's migration has increased their vulnerability to exploitation and abuse. Such vulnerabilities affect job prospects, wages, and job quality in the host country. The government has then taken some initiatives that were developed for the protection of women migrants. For instance, the Ministry of External Affairs (MEA) is currently considering a bill that would protect women in the case of marital disputes in the host country. In addition, the MEA takes various initiatives to empower women by providing them with information about legal procedures, filing court cases, issuance of summons, etc. In addition, an Integrated Nodal Agency, under the Ministry of Women and Child Development (MWCD), has been set up as an inter-ministerial body to provide timely solutions for Indian women facing harassment abroad. Finally, other initiatives include: covering maternity expenses to woman emigrants, evacuating Indian nationals from conflict zones, natural disasters, etc., assisting overseas Indian nationals in distress, and improving consular activities.

In addition, the gender parity index (GPI) which measures the ratio of school enrollment of girls to boys shows an improvement over the years. For instance, for the age bracket 6-10 years the ratio increased from 0.41 in 1950 to 1.01 in 2011⁷⁰. In addition, for the age bracket 11-13 years the ratio increased from 0.22 in 1950 to 0.99 in 2011⁷¹. This growing

⁷⁰ MHRD (2014) Statistics of School Education 2011-12. Government of India, Ministry of Human Resource Development, Bureau of Planning, Monitoring & Statistics.
https://www.education.gov.in/sites/upload_files/mhrd/files/statistics/SSE1112.pdf

⁷¹ Ibid



trend of women's education can be linked with the measures implemented by the Government of India to improve the education level among children, particularly girls. These measures include the Mid-day Meal Scheme in 1995, the Sarva Shiksha Abhiyan in 2000, the Right to Education Act in 2009, and the Beti Bachao, Beti Padhao (BBBP) Scheme in 2015. Prior to the reforms, the gender parity index (GPI) (the ratio of enrollment for girls to boys) increased for different ages.

The Sarva Shiksha Abhiyan, on the other hand, was an initiative to spread and improve the quality of education for children in the age bracket 6-14 years. It also emphasised the importance of bridging the gender and social level gaps at the elementary education level. The Right to Education Act ensures that every child has a right to a full elementary education of a satisfactory standard. This act entails free and compulsory education for all children in the age bracket 6-14 years. Finally, the scheme that primarily focused on the education of girls is called Beti Bachao, Beti Padhao (BBBP). This can be roughly translated to "Save the girl child, educate the girl child" and it aimed to increase the level of women empowerment in India. Within this scheme, many initiatives were undertaken, and these include the Lakshya Se Rubaru, the Aao School Chalein, the Collector Ki Class, and the Udaan - Sapne Di Duniya De Rubaru. These initiatives provide girls with the opportunity to explore different education and work prospects and accordingly stimulate their advancement in the professional setting. As a result of these schemes, the rate of education among young girls has increased which thus in turn increases their value in the international labour market. Accordingly, highly educated women are more likely to be prone to emigration, as they are incentivized to work in a place that recognizes their talents.

According to the Periodic Labour Force Survey in India, the work participation rate (WPR) for women has been declining to reach a low of 16.5% in the 2017-2018 wave⁷². In addition, disentangling the WPR by region of residence indicates that it is relatively higher in the rural areas compared to the urban areas. The general low WPR has been attributed to various factors including constraints in the labour market, household and labour market trade-off, and social norms. In addition, women's distribution in the sectors has changed in response to the structural changes that occurred in India. For instance, their employment has shifted from the primary to the tertiary sector, but at a slow rate. In particular, the agricultural sector continues to dominate women's employment, followed by the tertiary and secondary sectors. In earlier times, however, the government undertook many initiatives to induce the empowerment of women in the labour force. These legislative initiatives include the Hindu Succession (Amendment) Act 2005, the

⁷²Sundari, S. (2020). Structural changes and quality of Women's Labour in India. *The Indian Journal of Labour Economics*, 63(3), 689–717. doi:10.1007/s41027-020-00245-2



Maternity Benefit (Amendment) Act 2017 and The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Similar to the case of Bangladesh, the government of India runs around 25 programmes that aim at providing women with financial assistance as an encouragement to acquiring skills, entrepreneurship, and self-employment⁷³.

4.4 Conclusion and Recommendations

Given that the industrial division of technical education does not have the largest percentage of females, it is crucial to accommodate the eligibility criteria of female applicants. More specifically, it would be beneficial to diversify their specialisations to also include those graduating from the commercial and the tourism divisions.

A study carried out by the European Bank for Reconstruction and Development (EBRD) found that Germany has a high need for hospitality school graduates. In addition, the German Hotel School El Gouna offers a 5-year programme for the hotel service industry. This programme allows its graduates to have an internationally recognised diploma. Accordingly, there is a potential for coordination between the German institutes in Egypt in order to increase the outflow of hospitality school graduates to Germany and fill the market gap. This can be used as a case study to assess the potential of supporting female migrants in an area where the supply and the demand are both abundant. Another sector that has potential for female migration is that of nursing. In particular, there is a high concentration of females enrolled in the nursing programmes. However, some of the institutional constraints impose barriers on exploring the potential of including the nursing sector in the THAMM programme.

Given that the highest concentration of females enrolled in technical education is in its commercial division, there is a need to explore the services market in Germany and examine whether there is sufficient labour demand that can be partially supplied from Egypt. Then, the possibility of recognising the diplomas received from these schools should be examined to understand whether they would be accepted in the foreign market, in particular, Germany.

Public policies can play a significant role in promoting women's employment by promoting the growth of the economic sectors that are more hospitable for women. This can be achieved by shaping the working conditions promoting a more hospitable sector for women. This can be done by promoting this support for specific sectors including food processing, textiles and garments, electronic assembly, education, and health care. This promotion of sectors that are more hospitable for women, like the services sector is

⁷³ Menon, S., Tomy, D., & Kumar, A. (2019). Female Work and Labour Force Participation in India. UNDP.



creating a career prospect for women that would not just facilitate their participation in the labour market and would also promote education and accumulation of skills that would promote the matching with the sector. This was found to be an effective mechanism in the Philippines in both integrating women economically in the local labour market but has also played a role in promoting the emigration of women.

A similar experience was witnessed by Bangladesh in promoting the garment and textile industry. Promoting the sector has improved the demand for girls and women and has accordingly promoted the supply of girls to the education sector equipping girls for jobs in the sector. Coupling this with raising awareness among potential migrants of women to be more aware of their administrative procedure of departure and formalisation of the process. In addition, the Government of Morocco has developed a support system for workers, specifically women, in the host countries to provide medical, legal, and emergency support.

These initiatives, coupled with promoting and supporting the specific sectors identified as women friendly sectors would improve not only the migration of women, but also the local labour force participation of women. Agreements between the Government of Egypt and the potential countries of destination similar to the THAMM programme could highlight specific sectors that are attractive for women. Together with improving the skills acquisition that would prepare women for employment in these sectors could lead to positive outcomes with regards to the gender component of the project.



Study 3: A Study on the Effects of Migration on the Egyptian Electric and Electronics Sector

Capitalising on the outcomes of the first phase of THAMM, this study is designed to delve into the electric and electronics (E&E) sector, owing to the fact that the sector comprised 61 percent of selected skilled candidates across all phase-one calls. With the sector's workers making up the majority of selected skilled candidates, E&E is rendered highly prone to the phenomenon of brain drain⁷⁴, a phenomenon that remains to be the primary concern in the migration realm and is believed to pose high risk to sending countries. Thereby, studying the by-products/effects of migration and examining the effective existence/absence of brain drain using E&E as a case study logically follows.

5.1 Overview of the Sector

Manufacturing stands as one of the world's highest value-adding industries/contributors to production. Of the various manufacturing industries, the Electric and Electronic (E&E)⁷⁵ sector has long shown significant presence. In quarter three of 2022, the manufacturing of electrical equipment recorded the highest global year-over-year growth rate amongst all manufacturing industries⁷⁶. Globally, the E&E and textile industries are the top manufacturing employers, with each employing around 29 million workers.⁷⁷

In Egypt, E&E has been a mediocre player in the manufacturing ecosystem but has recently been receiving the much-required attention from government authorities, together with international development partners, in recognition of its potential. The E&E sector in Egypt is witnessing noticeable growth, and is planned to reach 5 percent of GDP by 2025, as reported by Egypt's Minister of Planning and Economic Development⁷⁸. The

⁷⁴ Brain drain is the loss of skills and highly qualified workers as a result of migration.

⁷⁵ According to the United Nations' International Standard Industrial Classification of All Economic Activities (ISIC), Revision 4, E&E is a sub-category of manufacturing, and includes the manufacture of computer, electronic, and optical products, as well as the manufacture of electrical equipment. The manufacture of computer, electronic, and optical products includes: electronic components; computers and peripherals; communication equipment; consumer electronics; measuring, testing, navigating and control equipment; watches and clocks; irradiation, electromedical and electrotherapeutic equipment; optical instruments and photographic equipment; magnetic and optical media. The manufacture of electrical equipment includes: the manufacture of electric motors, generators, transformers and electricity distribution and control apparatus; batteries and accumulators; wiring and wiring devices; fibre optic cables; other electronic and electric wires and cables; wiring devices; electric lighting equipment; domestic appliances; other electrical equipment.
https://unstats.un.org/unsd/publication/seriesm/seriesm_4rev4e.pdf

⁷⁶ *UNIDO Statistics Data Portal*, stat.unido.org/.

⁷⁷ OECD, et al. *Production Transformation Policy Review of Egypt*. OECD Development Pathways, OECD Publishing, 6 Jan. 2022, www.oecd-ilibrary.org/development/production-transformation-policy-review-of-egypt_d66d6912-en;jsessionid=onwk6oHqnBmdWoSLzwvsOcl5.ip-10-240-5-167.

⁷⁸ *Egypt Aims to Raise ICT's Contribution to GDP to 5% by 2025*. *EgyptToday*, 29 Aug. 2021, www.egypttoday.com/Article/3/107328/Egypt-aims-to-raise-ICT-s-contribution-to-GDP-to.



focus on the E&E sector has been embodied in a presidential initiative launched late 2015- Egypt Makes Electronics (EME)- that works to localise E&E manufacturing, boost exports, ultimately contributing to the country's growth, and perhaps positioning it as a global E&E manufacturing hub. This is meant to all happen while shifting the industry into a labour-intensive one, creating employment opportunities that come in favour of the economy's aggregate performance.

The initiative has indeed achieved progress: in 2022, Egypt's engineering exports recorded unprecedented levels, with cables, electrical appliances, and home appliances (which grew by 100%, 56%, and 28.4% YoY, respectively) coming in as the first, second, and third largest sub-sectors contributing to the said growth⁷⁹. In terms of global positioning, one of EME's landmarks is the opening of the telecom giant Vivo's smartphone production facility in Egypt⁸⁰. Other global players are expected to shortly follow suit, especially given the general reduction in tariffs imposed on the E&E sector.⁸¹ Authorities have confirmed that Nokia, for instance, is establishing its facility in the near future.

Inasmuch as the aforementioned progress has been remarkable, a review of the labour sector is essential to ensure that the talent pool is capable of sustaining the industry's current and further development. In the most recent OECD Production Transformation Policy Review of Egypt, the E&E industry was examined given the high priority Egypt places on its development⁸². One of the factors identified as underpinning the emergence of the sector was Egypt's sizeable talent pool. The Policy Review highlighted the presence of room for improvement, nonetheless. It finds that Egypt is facing skill shortages and brain drain in several areas, indicating that in the future the talent pool may not be able to support the industry's development. The Review also mentions the lack of targeted technical and vocational education programmes (ones that specifically cater to the needs of E&E and its value chain), which has been proposed as a potential means of addressing the said skill shortages.

The talent pool and labour skills are key to the development of the sector. Although the OECD Production Transformation Policy Review of Egypt identifies brain drain as one of the impediments to the expansion of skills and the talent pools, recent literature has been drifting away from such a notion, and a new strand of literature has recently come into

⁷⁹ *Egyptian Exports of Engineering Industries Grew around 24% to 278 Million USD in January 2022*. Zilla Capital, 5 Mar. 2022, www.zillacapital.com/insights/egyptian-exports-of-engineering-industries-grew-around-24-to-278-million-usd-in-january-2022/.

⁸⁰ Vivo is the largest telecommunications company in Brazil.

⁸¹ OECD, et al. *Production Transformation Policy Review of Egypt*. OECD Development Pathways, OECD Publishing, 6 Jan. 2022, www.oecd-ilibrary.org/development/production-transformation-policy-review-of-egypt_d66d6912-en;jsessionid=onwk6oHqnBmdWoSLzwvsOcl5.ip-10-240-5-167.

⁸² Ibid



play. Brain drain that accompanies migration has long been recognised as a threat to development in general, but recent welfare dialogue has rather shifted towards acknowledging and appreciating the role of migration in development. Migration's role in development has been found to be threefold; benefits to the migrant, benefits to the origin country, and benefits to the country of destination.⁸³ Yet, the focus remains to be on the benefits to the origin country, in evaluation of whether these outweigh the cost of brain drain (being country-wide) and thus reiterate the migration for development narrative, or fall short of the cost and so render migration as, indeed, a threat to development.

5.2 Brain Drain vs Migration for Development

Firstly, in pursuing migration and securing migration requirements (in terms of knowledge, education, skills, and certification), the potential migrants cause a spill-over effect that actually results in the upskilling of the local labour market. Then, further to the benefits to the origin country, migration's second development arm is the knowledge transfers that flow from diaspora communities and return migrants to the origin country, in the form of ideas, technology, and knowledge. Capitalising on and mobilising a country's existent migrant/diaspora communities (locals living abroad) through the transfer- either physical or virtual- of their skills and knowledge to their countries of origin, aids in the development of the local community on manifold fronts, including, but not limited to, socio-economic development, institutional norms, and social norms⁸⁴. And the final most widely-recognised benefit is the flow of remittances. Remittances have proved to be an essential source of foreign currency to developing countries, and thus a tool to macroeconomic stability. On the micro level, remittances are a source of income to the migrant's dependents, increasing the household's consumption, increasing food security and health/education spending, and in frequent cases, cushioning the household during economic shocks.

Other than the aforementioned benefits, literature also highlighted that migration and prevalent migration prospects may have some effects upon sectoral restructuring; the economy's sectors tend to undergo restructuring that mirror migration prospects⁸⁵. This, together with the skill-spillover phenomena, guarantees the upskilling of the sectors in international demand, which in turn better positions the origin country, in this case Egypt, as a sending country, ultimately relieving pressure and enhancing its labour market.

⁸³ World Bank. 2023. *World Development Report 2023: Migrants, Refugees, and Societies*. Washington, DC: World Bank. doi:10.1596/978-1-4648-1941-4.

⁸⁴ *Migrant Communities and Development: Transfer of Skills and Knowledge*. International Organization for Migration (IOM), 15 Mar. 2006, www.iom.int/speeches-and-talks/migrant-communities-and-development-transfer-skills-and-knowledge.

⁸⁵ Katseil, Louka T, et al. *Effects of Migration on Sending Countries: What Do We Know?* OECD Development Centre, 31 Aug. 2006, www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/unpd_om_200606_p11_katseli.pdf.



Having identified the benefits to the country of origin, brain drain only becomes an impediment and threat to development when its costs⁸⁶ outweigh the said benefits from skill spill-overs, knowledge transfers, and remittances. Through a wider lens, brain drain from origin countries is frequently translated into gains to the destination country. By that, origin countries could work to establish mechanisms, transfer-facilitation tools for instance, to redistribute and re-transfer the gains back to the country. Accordingly, sending countries' main directions/challenges to maximise the net impact of migration become maximising benefits of migration, minimising costs of brain drain, and establishing mechanisms for the re-transfer of gains from destination to origin countries.

Starting with maximising benefit, origin countries, and in this specific study's case, Egypt, should do so through ensuring that labour market dynamics allow for the aforementioned skill-spillovers, for instance, ensuring sufficient interaction and communication between workers of the sector within and across firms. The second means through which benefits are maximised, is fostering knowledge transfer. To create an environment conducive to knowledge transfer, countries of origin should work on strengthening their business environment, to allow an effective channel of communication and support transnational activities, and thus maximise the effects of knowledge transfer. Also, knowledge transfers take place upon return migration, should return policies are in place and take measures to facilitate knowledge transfer. Countries of origin would be fostering knowledge transfer should they encourage return migration and support return migrants as they re-integrate into the community. One successful initiative of encouraging return migration is Malaysia's Returning Expert Programme, offering return migrants an optional 15% flat tax rate on chargeable employment income for a period of five consecutive years, and exempting them from tax for all personal effects brought into Malaysia, amongst other incentives⁸⁷. The third and final arm to maximise benefits is to incentivise the channelling of remittances, which could happen through reducing remittance costs for instance.

As for minimising costs, countries of origin could achieve so primarily through expanding the capacity for training high-skilled workers. As per the 2023 World Development Report's findings, greater capacity increases the likelihood that a sufficient number of high-skilled workers stay, even if others migrate, and this ensures brain drain costs are kept to a minimum⁸⁸. Other than expanding training capacity, in the specific case of Egypt, focusing on sending the underemployed, rather than job-seekers, so as not to take

⁸⁶ The costs to the origin country from losing a highly qualified worker. Especially relevant when workers are in occupations deemed essential for the origin country.

⁸⁷ *Returning Expert Programme - Initiatives*. TalentCorp Malaysia, www.talentcorp.com.my/initiatives/returning-expert-programme.

⁸⁸ World Bank. 2023. *World Development Report 2023: Migrants, Refugees, and Societies*. Washington, DC: World Bank. doi:10.1596/978-1-4648-1941-4.



away from the existent pool of available labour, is a second potential means of minimising costs and increasing returns to education and training. This comes hand in hand with the first study outcomes, highlighting the significant presence of the 'underemployed' individuals amongst the Egyptian labour pool, and them being attractive candidates to the THAMM programme.

Finally, with regards to establishing mechanisms for the re-transfer of gains from destination to origin countries, origin countries need to work on building environments (whether business or cultural environments, among others) that allow for synergies between diaspora communities and the local community. Origin countries also need to establish reliable tools for the transfer of remittances, so as to incentivise the channelling of remittances. In short, origin countries need to facilitate the mechanisms that allow for knowledge transfers and sending back remittances- which in turn re-transfers gains from the destination to the origin countries.

In serving all the previous, it is essential to note that origin countries reap the most benefit when they integrate labour migration within their development strategy, making it integral to development. By that, they become better-positioned to adopt policies and engage in bilateral cooperation with destination countries to maximise the net impact of migration.

5.3 The Case of the Electric and Electronics Sector

In the context of E&E, such migration for development phenomena is yet to be sufficiently explored, but in assuming its significant existence, the E&E sector in Egypt is likely to see upskilling and contribute to local growth and development, rather than hinder economic growth and development through the hypothesised brain drain.

To examine the existence of migration for development within the sector and serve the study, primary data was collected to gain an early insight into the matter. Primary data is indeed insufficient to allow the drawing of general conclusions, but gives sufficient insight that would aid in setting the direction for policy recommendations, nonetheless.

Upon interviewing five of the key players of the sector (employers) and conducting focus group discussions with workers of the sector, it has been found that other than the need to adopt the above-stated national-level recommendations, the sector is also facing several educational and logistical challenges. If the said challenges were addressed, the cost of brain drain will surely be kept to a minimum.

To begin with, employers have highlighted that the education provided to workers by public vocational education institutions does not sufficiently furnish workers with required skills that allow them to specialise in the field. For that, the majority of big firms have



established in-house training centres, and depend on those for training their employees, and in several instances, they have their own vocational academies- enrolling students after they complete their primary education, i'dadeya- as an alternative to public schools. However, each of the education providers (whether public schools or firms), work independently. The sector's stakeholders are not in harmony.

What has also risen during the conducted interviews and focus group discussions is the fact that Egyptian workers, once appropriately trained, are highly competent as compared to the global workforce of E&E technicians⁸⁹. And as such, they are in high demand in international markets. When presented with migration opportunities, Egyptian workers tend to express interest 25 percent of the time- a significant portion. This highlights how the circumstances are set in favour of the migration of workers. However, the issue persistently lies within how the sector is operating in silos, and that there is not a streamlined and regulated process that facilitates matching (between workers and job opportunities abroad) or migration in general.

Considering the previous, primary findings show that in addition to the maximisation-of-benefit and minimisation-of-cost mechanisms, Egyptian policy also needs to move towards enhancing education and educational quality, together with initiating bilateral dialogues and agreements, in order to provide a streamlined and facilitated matching and migration process.

5.4 Elsewedy Technical Academy (STA) as a Case Study

Elsewedy Technical Academy is one of the leading academies in Egypt⁹⁰. Not only does it produce quality graduates, but it has also undergone several partnerships and agreements that have presented successful cases of migration. STA can thus be named a successful model for the migration of technicians.

The reasons underlying the academy's success lie in the fact that: (a) the academy involves the potential employers in the educational process, (b) it provides the students with a complete educational/career plan, a closed loop. To begin with, upon the intake or enrolment of a cohort, the academy consults potential employers and firms with regards to the updates necessary to be made to the curriculum (if any). More importantly, besides the students' theoretical studies, the academy partners with the said potential employers, and sends the students to these employers to learn hands-on practical skills as part of

⁸⁹ As per primary findings, namely the collaboration of Elsewedy Technical Academy with employers in Slovenia and Finland, Egyptian workers easily integrate into the firm, on the technical front, given they were sufficiently trained.

⁹⁰ Important to highlight that STA students pay a portion of their tuition, and the academy covers the remaining portion.



the programme (a dual-education model). This ensures that upon the students' completion of the programme, they hold the technical skills in current demand, completely avoiding a skills mismatch. In addition to avoiding a mismatch, such practice produces highly specialised technicians, due to the specialised education they receive, unlike the public vocational schools which tend to rather teach a more general curriculum.

Coming to the second success factor, providing the students with a complete educational/career plan, STA matches their graduates with employers, whether local or international. According to one of STA's senior employability officers, the employability office of the academy works to secure a job opportunity for graduates, and if such opportunity happened to be abroad, the academy ensures they provide the potential migrants with the necessary skills specific to the country/firm of destination, together with the cultural awareness and in several instances, the language. This provides graduates with a sense of security and assurance towards their future. The senior employability officer mentioned that students have frequently pointed out that the reason why they choose to enrol in STA over other academic programmes, is the sense of security over their future and the so-called "closed" loop.

Elsewedy Technical Academy's practices can thus be widely adopted to enhance the performance of the sector as a whole, and the migration dimension in particular.

5.5 Further Sector-specific Recommendations

Primary findings, together with the STA case study, inform that Egyptian policy needs to move towards enhancing education and educational quality, namely stressing on specialised rather than broad technical skills. After proving successful in the Elsewedy Technical Academy, Egyptian policy makers are also encouraged to widely adopt dual education. And further on education, involving employers in curriculum development should be integral.

To address the lack of a clear migration process, bilateral dialogues and agreements need to be initiated to provide a streamlined and facilitated matching and migration process. This should happen in parallel to efforts towards closing the loop and matching students with opportunities early on, all while ensuring their acquaintance with necessary skills for that specifically named job opportunity.

Due to the universality of the situation across the majority of sectors in Egypt, the previous recommendations could serve numerous sectors, not solely E&E.



6. Recommendations based on All Three Studies

Based on all three Studies' findings, recommendations are manifold, and each is directed at a different stakeholder/party in the migration process. To broadly classify the recommendations, a set is largely directed at the country of origin (including a set targeting Egypt as an origin country in the specific case of E&E), another directed at the country of destination, and both indirectly serve to also maximise benefit for the migrant-A Triple Win.

6.1 Country of Origin

Recommendations arrived at under this study to the country of origin are twofold: Recommendations in the specific context of THAMM in Egypt to guarantee a higher success rate of the programme, and general recommendations to maximise the net impacts of migration.

Within the specific context of THAMM, analysis has firstly shown that the eligibility criteria being used thus far are not in full congruence with the realities of the Egyptian labour market. The current realities of the Egyptian labour market allude to a great deal of skills mismatch, and to the prevalence of the phenomenon of underemployment. Owing to both of those characterising factors, THAMM's eligibility criteria is recommended to allow some further degree of flexibility with respect to education and experience, while specifically targeting the underemployed pool, not only job seekers.

Beyond the eligibility criteria, the study has found that THAMM's reach has been rather limited due to online platforms being the sole means of call announcement and circulation. The programme thus needs to not limit call circulation to online platforms, but to also capitalise on networks and community, which carry significant potential in yielding a greater number of applicants. And finally, since the recognition of skills remains to be a major obstacle in the migration process, Egypt needs to work on aligning and accrediting its curricula with and from international bodies, to facilitate recognition of skills in the long run.

In a more general sense, namely Egypt in this case, several recommendations are highlighted to maximise net impacts of migration. To maximise *net* impacts, Egypt needs to maximise benefits of migration, minimise costs of brain drain, and establish mechanisms for the re-transfer of gains from destination to origin countries. Starting with maximising benefit, as aforementioned, origin countries should do so through ensuring that labour market dynamics allow for skill-spillovers, for instance, through ensuring sufficient interaction and communication between workers of the sector within and across firms. The second means through which benefits are maximised is fostering knowledge



transfer. To create an environment conducive to knowledge transfer, countries of origin should work on strengthening their business environment, to allow an effective channel of communication and support transnational activities and thus maximise the effects of knowledge transfer. Also, knowledge transfers naturally take place upon return migration, should return policies be in place and measures to facilitate knowledge transfer are taken. Countries of origin would be fostering knowledge transfer should they encourage return migration and support return migrants as they re-integrate into the community. The third and final arm to maximise benefits is to incentivise the channelling of remittances, which could happen through reducing remittance costs for instance, Malaysia providing a success story of the matter.

As for minimising costs, countries of origin could achieve so primarily through expanding the capacity for training high-skilled workers. Greater capacity increases the likelihood that a sufficient number of high-skilled workers stay, even if others migrate, and this ensures brain drain costs are kept to a minimum⁹¹. Other than expanding training capacity, in the specific case of Egypt, focusing on sending the underemployed, rather than job seekers, so as not to take away from the existent pool of available labour, is a second potential means of minimising costs. This reiterates the targeting of the underemployed.

Finally, with regards to establishing mechanisms for the re-transfer of gains from destination to origin countries, Egypt's needs to work on building environments (whether business or cultural environments, among others) that allow for synergies between diaspora communities and the local community. It also needs to establish reliable tools for the transfer of remittances with minimal costs, so as to incentivise the channelling of remittances. In short, origin countries need to facilitate the mechanisms that allow for knowledge transfers and sending back remittances- which in turn re-transfers gains from the destination to the origin countries.

Zooming in on Egypt in particular, and to address the low-female engagement in previous calls, the above studies show that integrating women in the migration dialogue can primarily be achieved through setting working conditions, in the Egyptian market, that are more accommodating for women. Ideally, enforcing these working conditions in the sectors that are identified as already attractive for women: food processing, textiles and garments, electronic assembly, education, and health care to name a few. This ensures increasing female labour force participation and integration in the labour market, and in turn, increasing migration prospects.

⁹¹ World Bank. 2023. *World Development Report 2023: Migrants, Refugees, and Societies*. Washington, DC: World Bank. doi:10.1596/978-1-4648-1941-4.



Coupling the previous with raising awareness among potential female migrants (migrants that express interest to migrate)- familiarising them with the required administrative procedures of departure and formalisation of the process- will ultimately provide maximum results.

Other than the gender lens, the study provides a detailed analysis of the E&E sector and is therefore well-positioned to provide sector-specific recommendations. Based on the above analysis, Egyptian policy sees the need to move towards enhancing education and educational quality- particularly stressing on specialised rather than broad technical skills. Also deemed essential is the initiation of bilateral dialogues and agreements with potential countries of destination, in order to provide a streamlined and facilitated matching and migration process. And after proving successful in the Elsewedy Technical Academy, Egyptian policy makers are also encouraged to widely adopt the dual education model, while involving employers in curriculum development.

Although these recommendations stem from the study of the E&E sector, the status-quo of the sector is largely universal (similar across all sectors), and so the recommendations can safely be generalised and extended to the majority of the economy.

6.2 Country of Destination

Moving on to the country of destination, in the context of this study and through the specific lens of evaluating brain drain, the country of destination is mostly recommended to encourage and support return migration of their immigrants. By encouraging return migration, as explained above, the country of destination would be allowing maximum benefit to the country of origin alongside its own benefit, which reiterates its commitment to minimise or avoid brain drain in the origin country.

In avoiding brain drain, the country of destination could also contribute by aiding in the financing of upskilling, training, and expanding the labour pool. Specific contributions could happen in the form of financing education and training, and possibly providing technical support in tandem.

6.3 Migrant

In pursuit of all the previous, the migrant's benefits from migration are inevitably maximised. There might not be specific recommendations to the migrant per se, but the migrant is ought to position themselves on the desired path. On their educational journey prior to migrating, for instance, the migrant should choose the most widely recognised educational institution, to facilitate recognition of skills. S/he should also submerge themselves in migrant and aspiring migrant networks, while being attentive to any calls,



such as THAMM's, that might be made by institutions. This increases their chance of learning about available migration opportunities and being well-familiar with the process. Also, upon migrating, the migrant is expected to engage in transnational activities and return migration, while actively channelling remittances. Doing so will increase the chances of an aspiring migrant to successfully migrate, and throughout the migration journey, maximise their benefits and their country of origin's benefits from the experience.



Appendix

Mubarak-Kohl Initiative

The Mubarak-Kohl initiative was launched in 1991 by the then Egyptian President Mubarak and the German Chancellor Helmut Kohl to enhance the skills of Egyptian youth and provide them with the needed learning and training opportunities through partnerships between schools and employers. At the time, the impact of the program was evident based on the fact that by 2002, 30% of the graduates were employed, 40% were continuing higher education and 26% were searching for work.⁹² There were however several concerns including its undefined legal position, high cost, gender equality in terms of students, loss of graduates to higher education, and the potential of its graduates to replace other workers.⁹³ The extent of its impact is also questionable given the situation later on and what persists to this day when it comes to the social stigma around vocational education and the availability of opportunities. In conclusion, while the initial objectives and efforts were impactful, it was limited and difficult to sustain due to the structure of the program not being able to withstand a longer timeline and a larger scope.

An example of how MoETE has been exerting efforts in training teachers in schools on vocational education is through the JICA partnership where guideline training was given in pilot schools in Port Said, Monofeya and Qalyubia to improve their ability in conducting technical training with a focus on practical lesson improvement.⁹⁴ The teachers participating received training on giving repetitive practice instructions and developing action plans tailored to each school. Nass Academy is another example of partnerships where the Ministry seeks out an institution to carry out high quality technical and vocational education and training. The academy is sufficiently qualified in that aspect with more than 1500 graduates and 7 training centres. While the MoETE remains to be the largest provider of TVET, such partnerships are key in enhancing the quality of education being streamlined and are possible steppingstones to reaching international partnerships that simplify the issues related to recognition of skills.

⁹² Adams, Arvil Van. "The Mubarak Kohl initiative—Dual system in Egypt: An assessment of its impact on the school to work transition." GTZ/German Technical Cooperation. http://www.urban-project.lviv.ua/php_uploads/data/articles/ArticleFiles_51.pdf (2010).

⁹³ Ibid.

⁹⁴ "Topics & Events." JICA. <https://www.jica.go.jp/Resource/egypt/english/office/topics/191009.html>.



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