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Ministry of Education

### EGYPT COUNTRY REPORT POLICIES AND MECHANISMS FOR INTEGRATION INTO THE WORKFORCE AND JOB CREATION



### DRAFT COUNTRY REPORT

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## ACRONYMS

ADEA	Association for Development of Education in Africa
AfDB	African Development Bank
AU	African Union
BOT	Board of Trustees
CAPMAS	Central Agency for Public Mobilization and Statistics
CIDA	Canadian International Development Agency
EC	European Commission
ETF	European Training Foundation
ETP	Enterprise TVET Partnership
GIZ	Gesellschaft für Internationale Zusammenarbeit
GDP	Gross Domestic Product
ILO	International Labour Organization
LF	Labour Force
LM	Labour Market
MoE	Ministry of Education
MoTI	Ministry of Trade and Industry
MoMM	Ministry of Manpower and Migration
MSME	Micro Small and Medium Enterprise
NAQAEE	National Authority for Quality Assurance and Accreditation in Education
NEET	Not in Education, not in Employment and not in Training
NPTE	The National Programme for Training for Employment
NQF	National Qualifications Framework
NSSP	National Skills Standard Project
OECD	Organization of Economic Co-operation and Development
PPP	Public Private Partnerships
PVTD	Productivity and Vocational Training Department
UN	United Nations
SCHRD	Supreme Council for Human Resources Development
SFD	Social Fund for Development
TE	Technical Education

TSE	Technical Secondary Education
TSS	Technical Secondary School
TVET	Technical and Vocational Education and Training
TVSD	Technical and Vocational Skills Development
VTC	Vocational Training Centre

## Executive Summary

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Egypt's young population and labour force, with 60% of its 86.6 million citizen under the age of 30 years, comprises both an opportunity and a challenge for Egypt's future growth; the opportunity in having a young human capital that can become a significant factor of Egypt's growth and development, while the challenge lies in the country's ability, as a whole, to develop a skilled population that is capable of generating income and of lowering the dependency rates.

However, Egypt faces a number of challenges, which constraints its ability to efficiently insert this young labour force in the labour market. Some of the main challenges are; the demographic structure (young population with large flows of new entrants to the labor market), lack of decent work opportunities where only, an estimate of 10% of the labour force are employed in the modern formal sector, absence of efficient job-matching services and transparent labour market information systems, inefficient transition from education to work (on average requiring seven years to complete the transition from school to work), mismatch between the output of the education system and the Labour Markets needs, limitations in the business environment, and inability of the formal sector to compensate for the decline of public employment.

To overcome these challenges, since the late 50's, the GoE adopted a number of initiatives to address inefficiencies in the transition from school to work institutions and mechanisms, as well as improving the quality of skills provision in an attempt to make it more relevant to the needs of the labour market.

In the area of improving process of transition from school to work transition, a number of measures were undertaken; establishment of formal apprenticeship programmes, establishment of a wide network of employment offices extending employment services to job seekers, initiating and funding National Training for Employment programmes, encouraging involvement of the employer and employer organisations in the education and training systems decision making and reform.

In the areas skills development, education and training have become among the highest priorities of the Egyptian government, adopting reform with initiatives at the policy level; initiatives to enhance quality and relevance of education and training; and initiatives to improve labour market efficiencies.

At the Governance and Policy level, the GoE established the Supreme Council for Human Resources Development (a ministerial committee), The establishment of A "National Authority for Quality Assurance and Accreditation in Education, initiating and leading a **decentralization program, the creation of a Training Fund**, establishment of Sectoral training councils

For enhancing Quality and Relevance of Education and Training a number of initiatives were undertaken; Implemented **the National Skills Standard Project** (developing standards, catering for workers' certification as per their abilities and competencies), Enhancing Teachers' Professionalism (Teachers' Cadre and the establishment of the Professional Academy for Teachers (PAT)),

Encourage **PPP mechanism to support a demand driven reform in education and training**, Pilot with school-based reform, Inclusion of local community in school management, Setting the concept for a National Qualification Framework, and launching implementation in 2010

In addition, the GoE, through its Social Fund for Development, has adopted a number of measures for job creation, including **support to small enterprises and support to micro-finance, public works programmes, community development programmes**, integrated rural development programme aiming at providing job opportunities to the rural unemployed, financial and technical support to small and micro enterprises through **business and technology incubators, and measure to supporting pathways into work for women**.

In spite of the above, Egypt is still suffering from high rates of unemployment especially among the highly educated job seekers, low rates of return on education, increasing trends of informality in the labour market, low-levels of labour productivity and scarcity of skilled workers who match the needs of a more competitive and globalised economy.

Egypt needs to introduce access to employment as a leading priority to the Egyptian education and training systems, through promoting entrepreneurship and self-employment in the very early stages of education, developing a National Qualification System integrating all levels, allowing recognition and transparency of qualifications, adopting career guidance and counseling systems at the national level, enhancing the quality of education and training and bridging the gap between skills provision and the needs of the labour market: developing a labour market forecasting system, and improving the social and professional image of VET, by creating attractiveness, quality, and clear career paths.



## 1. Introductions:

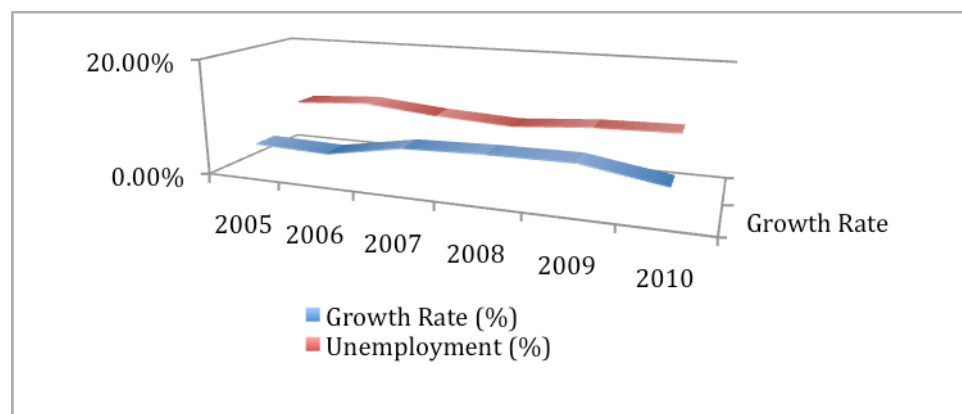
Egypt ranks among the highly populated countries of the world and is the most populous among the African countries as well as the Arab countries; the country's population has reached an estimate of 86.6 million, with an annual increase of 2 to 2.5%, women representing 47%. Around 60% of the population (over 51 million people) is under 30 years of age, where 29.1% of the population (around 25 million) are between 15 and 29 years of age.

**Table 1.1: Population in thousands and growth rate (2002-2012)**

Year	2009	2010	2011	2012	2013
Population Male	39,327	40,228	41,153	42,058	43,208
Population Female	37,598	38,457	39,377	40,247	41,421
Total Population	78,934	80,695	82,541	84,317	86,642
<i>Source: CAPMAS Egypt in Figures Population 2014</i>					

The young population, currently, represents both an opportunity and a challenge for Egypt's future. The opportunity lies in having a young human capital that can become a significant factor of Egypt's growth and development. While the challenge lies in the country's ability, as a whole, to develop a skilled population that is capable of generating income and of lowering the dependency rates.

In 2004, the Government of Egypt embarked on an economic reform program drive, which has resulted in an upsurge in almost all macroeconomic indicators. GDP growth rates have been experiencing a quantum leap. In only four years, GDP growth accelerated its pace from an annual rate of 4% to 7.2% in 2007/2008. However the benefits of this growth were not generally felt by the poorest in society, nor has it improved unemployment rates. (Fig 1.1)



**Fig 1.1 - Growth rates and unemployment (2005 till 2010)**

In January 2011, the high poverty rates and the youth unemployment, in addition to political and social imbalances, triggered the final stream of the protests that brought up an unprecedented change. Therefore, Egypt's future stability is challenged, unless real actions are taken to combat youth unemployment through effective strategies and real reforms that would enable Egypt to generate enough jobs to absorb the estimated figure of 600,000 to 700,000<sup>2</sup> new entrants into the labour market annually and reduce the unemployment rates.

<sup>2</sup> Mona Amer, Active Labour Market Policies: Mapping of Existing Initiatives in Egypt, 2012

## 1.1 An Overview of the Current Education and Training Systems

Egypt, also, has one of the largest education and training systems in the MENA region, encompassing 46,727 schools at Pre University level<sup>3</sup>, 8973 pre-university Azhar Institutes, 35 universities (17 public, 17 private, and Al-Azhar), 8 public technical colleges, 121 private higher institutes, 22 private middle institutes, and almost 1.7 million personnel (teaching and non-teaching staff), with more than 20 million students enrolled<sup>4</sup> at different levels and types of education, generating around 600,000 to 700,000 new entrants into the labour market. (Tables 1.2 and 1.3)

**Table 1.2: Schools & Students of Pre-University Education by Educational Stage 2011/2012<sup>5</sup>**

Educational Status	Schools	Enrolment		
		Male	Female	Total
Pre Primary	8,928	457,955	416,775	874,730
Primary	17,249	4,999,044	4,645,412	9,644,456
Preparatory	10,372	2,107,054	2,051,791	4,158,845
General Secondary	2,780	612,364	712,076	1,324,440
Industrial Secondary	924	530,628	306,424	837,052
Agricultural Secondary	185	137,127	32,607	169,734
Commercial Secondary	783	236,970	384,412	621,382
Community Schools	4,624	15,383	85,794	101,177
Handicapped	882	23,501	13,707	37,208
<b>Total</b>	<b>46,727</b>	<b>9,120,026</b>	<b>8,648,998</b>	<b>17,769,024</b>

CAPMAS, Egypt in Figures 2014

Over the past few decades, the country has achieved a significant progress in terms of educational enrolment; the total enrolment in pre-university education is 17.7 million students of which 2.95 million students are enrolled in secondary level, where 55% of those in secondary level are in technical industrial, agricultural and commercial education (table 1.2).

**Table 1.3: Student enrolment in Higher Education for Academic Year 2011/2012**

Level of Education	Students enrolled
Middle Technical Institutes (2012/2013)	24,249
Higher Institutes (2012/2013)	79,569
Public Universities	1,627,339
Private Universities	75,956
<b>Total</b>	<b>1,807,113</b>

CAPMAS, Egypt in Figures 2014

<sup>3</sup> Excluding Al Azhar Pre-university Education (8973 schools and 2,048,160 students)

<sup>4</sup> In academic year 2011/2012 according to CAPMAS

<sup>5</sup> Excluding Al Azhar Pre-university Education (8973 schools and 2,048,160 students)

For some time, policy makers have realized the need to restructure the education system, to make it more responsive to the needs of the rising population and a competitive economy. As a result, education has become one of the government’s highest priorities, where reform is attempted at all education levels: primary and secondary education, TVET, and higher education. Development and competitiveness dialogue is closely intertwined with educational development discussions along with the role of employers in that process. This connection is reflected in national education policies and strategies, such as the TVET Reform Strategy, the Torino Process Policy document and the Higher Education Strategy.

## 1.2 Egyptian Labour Market

Egypt's labour force, in 2012, was estimated at 27.1 million compared to approximately 25.4 million in 2009, of which women constitute 22 to 23% and, an estimate of 600,000 to 700,000 new entrants to the labour market each year,.

**Table 1.4: Labour Force (2009 till 2012)**

Year	2009	2010	2011	2012
<b>Labour Force (millions)</b>	25.4	26.2	25.5	27.1
<b>% of Male</b>	77%	77%	78%	77%
<b>% of Female</b>	23%	23%	22%	23%

*CAPMAS, Egypt in Figures 2014*

Some of the main characteristics of the Egyptian Labour Market are; high rates of unemployment among highly educated job seekers, low rates of return on education, increasing trends of informality in the labour market, shifting from dominance of public sector employment to private sector employment, low-levels of labour productivity, and scarcity of skilled workers who match the needs of a more competitive and globalised economy<sup>6</sup>.

Moreover, Egypt's labour market policies in the last five decades have proved to be inefficient in creating enough productive and decent jobs for all job seekers, especially fresh graduates and young females.

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<sup>6</sup> Building a Competitiveness Framework for Education and Training in Egypt, ETF, 2010

## 2. Basic Information on the Employment Situation of Young People (quantitative data)

### 2.1 Labour Force, Unemployment and Discouraged Young People

In 2012, Egypt's labour force, was estimated to be 27.1 million (of which women constitute 22 to 23%) compared to approximately 25.4 million in 2009. The unemployment rate in 2012 has increased to 12.7% compared to 9.4% in 2009 and is estimated to have risen to 13.4% in 2013<sup>7</sup>. However, according to labor market experts, actual unemployment is likely to be substantially higher than the official figures.<sup>8</sup>

Youth unemployment constitutes a big percentage of total unemployment, in 2011, the youth male unemployment rate was 22.7% of total male unemployed (0.4 million young men), while youth female unemployment rate was 53.2% of total female unemployed (0.65 million young women), which makes youth unemployment amounts to 58.6%. This means that 4.1% of the labour force is young unemployed males and females. (table 2.2)

**Table 2.1: Labour Force and Unemployment (2009 till 2012)**

Year	2009	2010	2011	2012
<b>Labour Force (millions)</b>	25.4	26.2	25.5	27.1
<b>Unemployment (%) Total</b>	9.4%	9.0%	12.0%	12.7%
<b>Unemployment (%) Male</b>	5.2%	4.9%	8.9%	9.3%
<b>Unemployment (%) Female</b>	23.0%	22.6%	22.7%	24.1%

Source: CAPMAS, Egypt in Figures

One of the main observations, in 2012, was the increase in the male unemployment rate, which almost doubles the rate of 2009 and 2010 (9.3% vs 5.2% and 4.9% in 2009 and 2010). And in spite of the low activity rate of female (as reflected in table 2.2 for year 2011) compared to male activity rate, still the female unemployment is much higher than male unemployment.

**Table 2.2: Activity Rate and Unemployment by Gender (2011)**

Year	Male	Female
<b>Labour Force (in millions)</b>	20.1	5.4
<b>Activity Rate</b>	78.2%	23.9%
<b>Total Unemployment</b>	8.9%	22.7%
<b>Youth unemployment</b>	22.7%	53.2%

Source: CAPMAS, Egypt in Figures 2012

Considering, educational attainment, shows that unemployment for those aged over 15 was much higher for graduated of technical intermediate institutions (Technical Secondary Education) and university level compared to other educational status, (see Table 2.3). While, unemployment rate

<sup>7</sup> According to CIA website

<sup>8</sup> Arab Republic of Egypt Workforce Development, SABER Country Report, World Bank, 2013

among graduates of post-secondary vocational education (PVE) is considered relatively low compared to university level and intermediate level, but the number of graduates of PVE sector is relatively very low when compared the number of graduates of general education (university level or secondary level)<sup>9</sup>.

**Table 2.3: Unemployed numbers by gender and education level in urban and rural areas (2010), units are in thousands**

Geographical Area/Educational Status	Urban			Rural			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Illiterate	31	12	43	10	4	14	41	16	57
Read & Write	16	4	20	5	5	10	21	9	30
Less than intermediate	37	14	51	14	17	31	51	31	82
Intermediate	24	6	30	13	9	22	37	15	52
Technical intermediate	219	261	480	180	331	511	399	592	991
Above intermediate & Less than university	54	82	136	24	46	70	78	128	206
University and above	245	388	633	115	184	299	360	572	932
Total	627	767	1394	361	596	957	988	1363	2351

Source: CAPMAS, Egypt in Figures 2011

## 2.2 Percentage of young people not in education, employment or training (NEETs)

NEET are those who did not succeed in education or those who are unable to make a positive transition to adult life and the world of work. NEET comprises people aged between 15 and 29 who are unemployed, not enrolled in school or work-related training, and not seeking work sometimes because of low prospects of finding jobs during a crisis, or the low quality of jobs relative to their skills.

The low LM participation rate gives an indication of those considered NEET; LM participation rates for those in the age bracket 15 to 19 is 17% and 52% for those of age bracket 20 to 24 and 62% for 25 to 29 years old<sup>10</sup>; LM participation for women (only one in five women is active in LM) – but also to the high levels of inactivity among young people who are not in education, employment or training (NEETs). Despite these low participation rates of youth and women, unemployment is still high.

<sup>9</sup> PVET in Egypt, Country Background Report, 2011

<sup>10</sup> CAPMAS Egypt in Figures

## 2.3 Percentage of young people in Technical and Vocational Education and Training, TVET

Students in Technical and Vocational Education and Training constitutes students enrolled in both pre university/secondary and post secondary technical education, as well as those enrolled in short and long term vocational training centres.

In 2011/2012 academic year, the total number of students enrolled in secondary schools was 2.95 million students, of which 55% (1,628,168 students) were enrolled in technical secondary schools administered by MoE; around 1892 schools (including attached classes) offering a three-year technical diploma and a five-year advanced technical diploma in three specializations; industrial, commercial and agricultural. Table 2.4 shows the number of students in each track of technical secondary education.

**Table 2.4: Technical Secondary Education (Enrolment and Schools) 2011/2012**

Educational Status	Schools	2011/2012		
		Male	Female	Total
Industrial Secondary	924	530,628	306,424	<b>837,052</b>
Agricultural Secondary	185	137,127	32,607	<b>169,734</b>
Commercial Secondary	783	236,970	384,412	<b>621,382</b>
Total	1,892	904,725	723,443	<b>1,628,168</b>

*CAPMAS, Egypt in Figures 2013*

The highest enrollment of students among the three specialisations is for industrial technical education (51%), followed by the commercial technical education (38%) and finally the agricultural technical education (11% of those enrolled in TSS). This is due to the limited educational capacity offered at secondary and post secondary level.

At the secondary level, the number of technical secondary schools is much lower than both the industrial and commercial schools; 185 technical agricultural schools vs 924 and 785 industrial and commercial schools. On the other hand, the post secondary agricultural education, is composed of limited offer in higher institutes with limited capacity (enrolment in academic year 2011/2012 in higher agriculture institutes was 1729 students vs 169,734 students enrolled in technical secondary agricultural school).

Girls' enrollment in technical education in 2011/2012 reached 44 percent of the total enrollment in technical education, though some technical education specializations attract more girls than boys. Statistics show that 53 percent of girls in technical schooling are enrolled in commercial education followed by industrial education (42 percent), with only a small proportion enrolled in agricultural education (11 percent). In general secondary education, girls represent 54% of total enrollment (an increase from the 51.9% in 2005/2006). Accordingly, girls represent about 49 percent of total secondary education students.

On the other hand, the institutes of postsecondary technical education in Egypt are classified into eight different categories according to types of institutes, as shown in Table 2.5. All Post Secondary Technical Education has two-year programs offering diploma degree; an exception is the faculties of industrial educations, which offers bachelor degree after four-year programs.

**Table 2.5: Student Enrolment in Post Secondary Technical Education, by Gender 2012/2013**

Level of Education	Students enrolled	Male enrolled	Female enrolled
Industrial Technical Institute	6,729	4,887	1,842
Commercial Technical Institute	7,761	4,607	3,154
Health Technical Institute	5,299	2,211	3,088
Tourism and Hotel Institute	612	552	60
Social Services Institute	2,118	1,383	735
Vocational Nursing Institute	405	82	323
Al Azhar Technical Institute	1,325	1,325	-
Higher Institutes	79,569	52,737	26,892
<b>Total</b>	<b>103,818</b>	<b>67,784</b>	<b>36,094</b>

Source: PVET Review by Higher education 2013

Finally, in addition to enrollment in technical secondary and post secondary technical education, there are a considerable number of youth in both long-term and short-term vocational training centres (public and private).

Public VTCs include around 600 VTCs and institutes, managed by 16 ministries<sup>11</sup>; 317 VTCs (53% of VTCs) offering systematic training programs, longer than or equal to one year, leading to technical diploma, plus 283 non-systematic VTCs (47% of VTCs) offering short technical programs (less than one year). In 2009/2010, these VTCs and institutes provided training to almost 429,000 trainees; 69,500 trainees (16.2% of those trained) in systematic programs (long programs), and 359,500 trainees (83.8%) in non-systematic programs (short programs).

On the other hand, there are 224 private VTCs (5 VTCs (2.2% of private VTCs offer systematic training and 219 VTCs (97.8% of private VTCs) offer non-systematic VTCs) Private VTCs mainly offer vocational training, offering training to 12,200 trainees in 2009/2010, on average 55 trainees per center (700 trainees in systematic programs and 11,500 in non-systematic programs). In addition to VTC managed by NGOs offering vocational training to disadvantaged groups, particularly women, disabled and unemployed youth, offering short term training to 40,000 participants annually. Half of the participants are in what is known as the Productive Families Scheme (PFS), a programme administered by the Ministry of Social Affairs but implemented through NGOs. Compared to other VTCs, the training in these centres is more *ad hoc* and less structured. Much of their work is best described as informal training<sup>12</sup>.

## 2.4 Percentage of young people who find employment on completing vocational training or TVET;

There is very limited evidence that periodical tracing survey has been conducted to trace graduates from TVET institutions and measure to what extent these graduates are successful in entering the labour market.

The only attempt to trace graduates was in 2008 and 2009, when the MKI-vetEP commissioned CID

<sup>11</sup> Ministers of health and population, petroleum, transportations, electricity and energy, cultural, tourism, civil aviation, defense, interior affairs, social solidarities, housing, agricultural, irrigation, finance, administrative development and also ministry of trade and industry.

<sup>12</sup> Source: Higher Education in Egypt, OECD report, 2010

Consulting to **conduct two Graduates tracer studies, for the MKI-DS graduates. The study** reported that over 85% of the trainees have been offered jobs in the companies involved in their training. However, it is worth mentioning that only 52.8% of those offered a job chose to accept employment and of those employed 32.8% were working the same factory where they had taken their training.<sup>13</sup>

However, as an indication, we could refer to the current educational status of employment, which has improved during the last years (section 3.2).

## **2.5 Percentage or number of young people in traditional or modern apprenticeships;**

For long, Egypt's informal/traditional apprenticeship has been playing an important role in preparing the labour force to meet the needs of the labour market. Then in the 1950s the Government of Egypt attempted to formalise the apprenticeship model, by embarking on the establishment of a network of public vocational training centres offering theoretical and practical vocational training programmes.

Currently, Egypt has a number of well-established formal apprenticeship schemes that are administered by a number of stakeholders (see below), including Ministry of Education, Ministry of Manpower, Ministry of Industry, and private and public companies. The biggest capacity of apprenticeship schemes remains in the schemes implemented within technical secondary education and the PVTD training centres. The total number of students graduating from these six schemes has been estimated not to exceed 1 or 2 percent of the total number of graduates of all the formal technical and vocational training systems targeting students of the age bracket 14 to 18 years old.

## **2.6 Employment in Formal and Informal Economy**

Since the 1980s, the trend is that, the first jobs that new entrants (mainly young job seekers) upon entry are in the informal wage employment and increasing in wage employment.<sup>14</sup>

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<sup>13</sup> The MKI-DS in Egypt: An Assessment of its Impact on School To Work Transition, Arvil V. Adams, 2010

<sup>14</sup> The Structure and Evolution of Employment in Egypt (1998-2012), Ragui Assad & Caroline Kraff



### 3. Basic information on the labor market

#### 3.1 Employment by economic sector

The distribution of employment by industrial sectors, table 3.1 for year 2010 and 2012, reflects that the agriculture sector remains the single largest industry by employment (28.51% and 27.06%). The next biggest employers are manufacturing (12.21%), closely followed by construction (11.42%) and wholesale and retail trade (11.42%), and then by and education (8.87%) and Public Administration (7.87%).

**Table 3.1: Distribution of employment by industry, share of each industry, 2010 and 2012**

Sectors	2010		2012	
	Industry share of total employment (%)		Industry share of total employment (%)	
	Num	%	Num	%
Agriculture, Hunting, Forestry & Cutting of wood trees	67,276	28.51%	63,855	27.06%
Mining & quarrying	470	0.20%	402	0.17%
Manufactures	28,816	12.21%	26,190	11.10%
Electric, gas, steam, air condition supply	2,662	1.13%	2,533	1.07%
Water support, drain, recycling	1,504	0.64%	1,589	0.67%
Constructions	26,940	11.42%	27,948	11.84%
Whole and retail sale vehicles, motorcycles repairing	26,941	11.42%	25,848	10.95%
Transportation & storage	14,705	6.23%	16,477	6.98%
Food, residence service	5,288	2.24%	5,200	2.20%
Information, Telecommunications	2,112	0.90%	2,017	0.85%
Insurance & Financial Intermediation	1,928	0.82%	1,953	0.83%
Real estate, Renting	158	0.07%	166	0.07%
Specialized technical, scientific activities	3,965	1.68%	3,780	1.60%
Administrative Activities & Support Services	1,694	0.72%	1,485	0.63%
Public Administration, defence, social solidarity	18,567	7.87%	18,881	8.00%
Education	20,923	8.87%	22,367	9.48%
Health and Social Work	6,118	2.59%	6,674	2.83%
Amusement & Creation & Arts Activities	1,038	0.44%	1,202	0.51%
Other Services Activities	5,390	2.28%	5,499	2.33%
Services of home service for private households	1,404	0.60%	1,838	0.78%
International and Regional Agencies & Organizations	26	0.01%	27	0.01%
Activities not classification	367	0.16%	27	0.01%
	<b>238,292</b>	<b>100%</b>	<b>235,958</b>	<b>100%</b>

Source: CAPMAS, 2012. *Egypt Statistical Yearbook, 2012 and Egypt Statistical Yearbook, 2010.*

Two interesting observations are the decline in the share of the Agricultural sector and the share of Public Administration sector of employment paralleled by an increase in the share of both the Manufacturing sector and the Construction sector of employment. (Table 3.2) This indicates that the size of both the manufacturing and the construction sectors is relatively growing, as well as their ability to generate new jobs is increasing.

**Table 3.2: Trends in Distribution of Employment**

Sector	1990	2012
Agriculture, Hunting, Forestry & Cutting of wood trees	33.7%	27.06%
Public Administration	25.41%	8.00%
Manufacturers	0.3%	11.10%
Construction	5.3%	11.84

*Source:*

### 3.2 Education and Employment

The educational status of employment has improved during the last years; the percentage of illiterate workers decreased from 21.6% in 1997 to 10.4% in 2009, and the percentage of employment among intermediate and above intermediate education is increased from 27% in 1997 to 34.5% in 2009. The percentage of (workers, who have university degree or higher) is also increased from 12.7% in 1997 to 16.3% in 2009<sup>15</sup>.

### 3.3 Distribution of Employment by Formal/Informal Sector

The distinction between formal and informal employment is based on whether an individual has either contract or social insurance coverage. Formal jobs are defined as jobs that have either a contract or social insurance coverage or both, while informal jobs are defined as those with neither a contract nor social insurance.

Over the past decade the informal sector has increased in Egypt and remains a very important – and expanding – part of the Egyptian economy. For obvious reasons reliable data on the informal sector is difficult to obtain. However, it is certain that it represents an increasing share of total employment and that a growing proportion of business in the sector do not respect legal and registration procedures. According to estimates in 2001, the informal sector comprised 2.4 million workers in 1976, and had reached 4.8 million workers by 1996. Adding on the number of unpaid family workers gives an estimated total of 6.5 million workers in the informal sector in 1998, compared to 4.7 million in 1998, with negative consequences, particularly for females and young people, with regard to social and job security.

The public sector employed substantially from 1998 to 2006, from 2006 to 2012, the public sector maintained a quarter share of employment, employing 25 percent of the workforce in 2006 and 26 percent in 2012. Public enterprises continued to contract slightly, from 7 percent in 1998 to 5 percent in 2006 and 4 percent of employment in 2012. Over time formal private regular wage employment has increased slightly, from 8 percent in 1998 to 9 percent in 2006 and 11 percent in 2012. After expanding from 1998 to 2006, informal private regular wage employment contracted slightly in 2012, down to 15 percent of employment from 17 percent in 2006. The largest change from 2006 to 2012 was the substantial increase in irregular wage work (seasonal or intermittent work). While 12 percent of the employed were irregular wageworkers in 1998, this had fallen to 8 percent in 2006, but had more than doubled to 17 percent of the employed in 2012. Irregular wage work is associated with poverty and vulnerability. Unpaid family work outside the agricultural

<sup>15</sup> Source: Central Agency for Public Mobilization and Statistics CAPMAS, Population (Researches and Studies), Jan. 2011.

sector and self-employment in agriculture each maintained 2 percent shares over the entire 1998-2012 period, while the share of self-employed non-agricultural workers was also stable at 8 percent. Unpaid family work in agriculture rose from 5 percent in 1998 to 11 percent of employment in 2006 before falling back to 5 percent of employment in 2012. After a slight increase in the share of employers among the employed over the 1998 to 2006 period, in 2012 the share of employers had decreased to 10 percent from 13 percent in 2006.<sup>16</sup>

**Table 3.3: Distribution of Formal and Informal Employment (2006-2012)**

Year	2006	2012
Public Sector	25%	25%
Public Enterprises	5%	4%
Formal Private Regular Wage Employment	9%	11%
Informal Private Regular Wage Employment	17%	15%
Irregular wage work (seasonal or intermittent)	8%	17%
Unpaid Family Work outside agriculture	2%	2%
Self employment in Agriculture	2%	2%
Self employment non Agriculture	8%	8%
Unpaid Family Work in Agriculture	11%	5%
Employers among the employed	13%	10%
Total%	100%	100%

*ELMPS 2006 and 2012*

### 3.4 Distribution of Employment by Category

Egypt's labor market is highly segmented. Despite the abolishment of guaranteed employment schemes more than two decades ago, the government and public sector still employs almost 27% of all workers and 44% of waged workers. Another 23% of all workers are working in private sector establishments and about 48% of all workers are classified as private sector workers who work outside recognized establishments. Almost 62% of those who were employed in 2009 were waged workers while the remaining 38% were non-wage workers. This segmentation is very problematic, especially when trying to design national comprehensive labour and wage policies.

Table 3.4 shows that wage and salary earners accounted for 61% of all employed persons. Unpaid family workers comprised 11% of total employment, of which 55% were female. Women made up lower proportions of business owners and self-employed persons.

**Table 3.4: Distribution of employment Category and Gender, Egypt 2011**

Employment	Male	Female	Total
Wage & salary worker	51%	10%	61%
Business owner	15%	1%	16%
Self-employed	9%	3%	12%
Unpaid family workers	5%	6%	11%
Total	80%	20%	100%

*Source: CAPMAS, 2012. Egypt Statistical Yearbook, 2012.*

<sup>16</sup> The Structure and Evolution of Employment in Egypt (1998-2012), Ragui Assad & Caroline Kraff

## 4. Difficulties Experienced by Young People in Gaining Access to Employment

### 4.1 Overview of Youth Employment in Egypt

Individuals aged 15 to 29 years old comprise around one-quarter of the total population of Egypt and approximately 22 per cent of the total labour force, with low labour market participation rate, high unemployment rate (22.7 % for young men and 53.2% for young women). Young people also account for the greatest proportion of all unemployed Egyptians: '8 out of 10 unemployed in Egypt are youngsters entering the labour market for the first time.

**Table 4.1: Youth Participation Rate and Unemployment by Gender (2011)**<sup>17</sup>

Year	Male	Female
LM Participation Rate (15-19)	17.1%	17.1%
LM Participation Rate (20-24)	52.9%	51.5%
LM Participation Rate (25-29)	62.4	61.2
Total Unemployment	8.9%	22.7%
Youth unemployment	22.7%	53.2%

The situation of youth unemployment is critical. In addition to these high youth unemployment rates, young people who enter the labour market have to accept low productivity, low-paid, and insecure jobs, far below their capabilities.<sup>18</sup> The situation has become even worse after the revolution as a result of the economic downturn. The lack of decent work is preventing the next generation of Egyptians from gaining the skills, experience and income necessary for further economic, social, and political development of their country.

### 4.2 The Main Challenges Facing Youth Employment in Egypt

The main challenges for insertion of young people in the labour market is the result of a number of factors: the demographic structure; lack of decent work opportunities, absence of efficient job-matching services and transparent labour market information systems, inefficient transition from education to work, mismatch between labor supply and demand; limitations in the business environment, and the inability of the formal sector to compensate for the decline of public employment.<sup>19</sup>

#### 4.2.1 The Demographic Structure

The Egyptian demographic transition has translated into large flows of new entrants to the labor market. Egypt's population is very young, with those less than 29 year-olds representing more than half the total population. It is estimated that the labor market receives between 600,000 to 700,000 new entrants each year, which constitutes a big challenge for the labour market. Although the number of new entrants is expected to decrease in the coming years it is still very high and constitutes very high pressure on the labor market.

<sup>17</sup> ETF, Youth Employment Challenges and Policy Responses in the Arab Mediterranean Countries, 2013

<sup>18</sup> Decent Jobs for Egypt

<sup>19</sup> Active Labour Market Policies; Mapping Egypt, Mona Amer 2012

#### **4.2.2 Lack of decent work opportunities**

Absence of decent work opportunities for young people aged between 15 and 29), especially in rural areas. It is estimated that only 10 percent of the labour force is employed in the modern sectors, vis-à-vis other traditional and government sectors. Although millions of jobs have been created during the last decade, most of these jobs are in the informal sector and are dominated by low productivity and low pay (not 'decent work'). The lack of decent work opportunities is driving young people into economic inactivity or away from rural areas and into over-crowded cities where job perspectives are not much better. Young women in rural areas face high unemployment rates and of the few women that work, the majority is unpaid contributing family workers.

#### **4.2.3 Absence of efficient job-matching services and transparent labour market information systems**

Weak job-matching services are reflected in the fact that most jobs are found through personal contacts and social networks by those who are already employed, rather than through transparent and merit-based recruitment mechanisms involving open competition and/or job intermediation.

#### **4.2.4 Inefficient transition from education to work**

It takes around seven years for young people to complete the transition from school to work, measured from when 50% of the population is enrolled in school to when 50% of the population is employed. However, for those who have effectively achieved transition, the average duration between leaving school and obtaining a fixed-term and/or a satisfactory job is 29 months, indicating large differences in school-to-work transition patterns. Hence, the vast majority of young labour market entrants resort to jobs in the informal sector as a way of entering working life, and some never leave the sector.

#### **4.2.5 Mismatch between the output of the education system and the Labour Markets needs**

Progress in terms of access to education is very important. Enrollment rates have risen sharply in recent decades. In 2010 they reached 94% at the primary level, more than 80% at the preparatory level and 32% at the tertiary level (post-secondary and university education). In addition, the employability of post-secondary or university graduates is relatively limited. The outcome of the Egyptian educational system does not match the needs of the employers. Two-thirds of university students are specializing in the humanities and social sciences and have theoretical education. According to the Egyptian Human Development Report 2010 the evolution of employment growth by occupation between 2000 and 2007 shows a gap between the categories of jobs created and the outputs of the education system.

#### **4.2.6 Limitations in the business environment**

The amount of red tape and bureaucracy involved in creating a company, and in particular the conditions prevailing in the financial sector do not encourage self-employment and SME development, despite positive experiences regarding their impact on labour market insertion and employability.

#### 4.2.7 The inability of the formal sector to compensate for the decline of public employment

Since the early 2000s, the public employment guarantee scheme for the secondary and above graduates has ceased. However, the formal private sector has not been able to compensate for the reduction of public sector employment.

#### 4.3 Gender and Youth Employment

Despite comparable educational levels, high women unemployment and the low participation of women in the labour force remain important challenges. Women represented less than one quarter of the Egyptian labour force in 2011, with a labour force participation rate of only 23.9% compared to a rate of approximately 78.2% for their male counterparts. With the decline of job opportunities in the public sector, many educated young women have decided to stop actively searching for jobs, a trend that resulted in lower participation rates between 1998 and 2011. This can mainly be attributed to discriminatory employment practices in the private sector. Unsurprisingly, government data confirms that females are more likely than their male counterparts to be unemployed. While the overall unemployment rate in 2011 was almost 12 percent, the female unemployment rate reached almost 23% percent and exceeded 53% among young females (15-25 year olds).

#### 4.5 Initiatives to Improve School-to-work Transition for Young People?

**Apprenticeship schemes** were introduced since the mid 1950's to address the mismatch between the labour market skills needs and the outcome of the formal education system. Currently, there is a total of six formal, well established apprenticeship schemes are operational in Egypt; the PVTI industrial apprenticeship scheme, the MKI Dual System, the Alternance Training, the MoMM Apprenticeship scheme, the Industrial/Modern Apprenticeship, and the Integrated TVET scheme. (Elaborated in Annex 1)

**Employment services** for job seekers (through 300 employment offices); the Ministry of Employment has 307 employment offices spread across different governorates. However, employment offices are generally underdeveloped, understaffed and under-resourced and they mainly play a bureaucratic role, registering job seekers. According to the Egyptian Labor Market Panel Survey of 2006, out of the 2.231 million unemployed, 1.935 million were actively searching for a job. And among those, 60% reported that they registered in an employment office as a mean of searching for a job (among other searching methods). This result is partly explained by the important role that employment offices have played in the guarantee of employment scheme in the public sector for technical secondary and university graduates.<sup>20</sup> Recently, MoMM has been involved in a number of initiatives to upgrade the services of these employment offices.

**A limited number of "The National Programme for Training for Employment (NPTE)"**, implemented under the umbrella of the Industrial Training Council (ITC), belonging to the Ministry of Industry and Foreign Trade) and which has been in the pilot implementation stage since October 2012. The programme aims to improve the skills of Egyptian industrial labour through three main components: setting up a labour market information system (LMIS); training and qualifications; matching job seekers to decent jobs.

The total cost of the project is estimated to be EGP 500 million (Egyptian pound) (limited

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<sup>20</sup> Active Labour Market Policies: Mapping of Existing Initiatives in Egypt, Mona Amer, 2012

government funding, plus contributions from the private sector and international donors). In the pilot project, 17 000 individuals were granted a job (jobs created in 10 different sectors, 50% of them in the ready-made garment sector), and social and medical insurance for employees was introduced.<sup>21</sup>

Recently, the MoE has been undertaking a number of initiatives to introduced **Career Guidance and Counseling Services**, especially with secondary schools, for the provision of services that would facilitate the transition from school to work.

Finally, **encouraging more involvement of the employer and employer organisations** in the TVET systems' decision-making and reform, through a number of institutional public private partnerships (elaborated in section 5.4).

## 5. Measures concerning TVSD

### 5.1 Initiatives to Reform and Modernize Existing Systems and Pathways to align them with the skills required by the economy?

Ever since early 2000s, education and training have become among the highest priorities of the Egyptian government, recognised as being key to Egypt's desire to become more competitive and pivotal in its prospects for continued economic and social development. The most outstanding of these initiatives could be grouped under three main types: initiatives at the policy level; initiatives to enhance quality and relevance of education and training; and initiatives to improve labour market efficiencies.

First, initiatives implemented to address **governance and policy** issues, to enhance the process of decision-making, quality and finance. The most important of these initiatives are:

- The **establishment of the Supreme Council for Human Resources Development SCHR**D, a ministerial council<sup>22</sup>, chaired by the Minister of Manpower and Migration, for the purpose of coordinating the multitude of government agencies involved in VET in order to bring more cohesion to VET policies and systems. Although the SCHR D has not been active in the last 8 to 10 years or so, it remains the highest formal authority in charge of formulating human resources development policies and is the only body where all relevant VET stakeholders can meet and are represented. However, several a number of attempts were made, in 2009 and 2012 to reactivate the council.
- The **establishment of A "National Authority for Quality Assurance and Accreditation in Education (NAQAAE)"**<sup>23</sup>, reporting directly to the Prime Minister, aiming at ensuring the quality of education and its sustainable development by: developing a culture of quality in education; coordinating with educational institutions to ensure access to an integrated system of standards, rules, and comparisons of development mechanisms for assessing

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<sup>21</sup> ETF 2012

<sup>22</sup> Originally, senior officials represented line ministries in the SCHR D, until government representation was elevated to ministerial level, in the new labour law (no.12 of 2003), where the Government will be represented by the Ministers of: Manpower and Emigration (Chair), Education, Higher Education, Trade and Industry, Electricity and Power, Health and Population, Communications and Petroleum. Other representatives come from trade unions, employers associations and the SFD.

<sup>23</sup> Law No. 82 of 2006 and Presidential Decree No 25 for the establishment and executive bylaws of the National Authority for Accreditation and Quality Assurance.

performance guided by international standards; supporting the building of capacities of educational institutions to implement self-evaluation; ensuring confidence at the local, regional and international levels in the quality of educational process outputs; implementing comprehensive evaluation on educational institutions and programs in accordance with the standard criteria of each educational level and each type of educational institutions.

- Initiating a leading **decentralization program**<sup>24</sup>, wherein decentralisation in education commenced in the second half of 2008 with piloting in three key governorates (Ismailia, Luxor and Fayoum)<sup>25</sup>. In July 2009 the decision was taken to scale up the initiative to all 29 governorates, and by late 2009 certain lines of funding, all the way to school level, were decentralised in all governorates. In the recently ratified constitution, article 176, decentralization in all forms (administrative, financial and economic) will be supported by the state. Article 242, provided the state 5 years to apply the local administration systems provided for in the constitution.
- **The creation of a Training Fund** financed, as per the 2003 Labour Law, by a 1% levy of net profits applicable to establishments employing 10 or more workers. The Training Fund is managed by the Ministry of Manpower and Migration, however it has not been operational as a number of firms have contested its constitutionality in courts of law.
- The establishment of **sectoral training councils** (Industrial Training Council and the Building Skills Development Council<sup>26</sup>) for leading the reform of skills development by economic sectors. Their remit is to develop a demand-driven approach to the provision of training and to bring further coordination and effectiveness to the existing initiatives.

Second, initiatives implemented to enhance the Quality and Relevance of the Education and Training system, including:

**The implementation of the National Skills Standard Project (NSSP) 2000-2005**, by Egypt's Social Fund for Development (SFD). The NSSP aimed at developing standards, catering for workers' certification as per their abilities and competencies; transferable credits that carry students across education/training routes; and objective independent assessment mechanisms and accreditation procedures.

The MoE has devoted a great deal of attention to training and capacity building of its most important change agents – teachers<sup>27</sup>. The introduction of the Teachers' Cadre (in 2006) and the establishment of the Professional Academy for Teachers (PAT)<sup>28</sup> (in 2007) both aim at **enhancing Teachers' Professionalism** in pre-university education (general and technical). Linking incentives, salaries and promotions to performance and standards, as well as providing a professional framework for the development of teachers.

Encouraging, supporting and establishing **Public Private Partnerships PPPs**, at different levels; strategy and policy level, systemic level and at the level of provision. (Elaborated in section 5.4)

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<sup>24</sup> Egypt's national strategy for decentralisation seeks the completion of a clear mission: that is the need to achieve strong and effective local administration through the comprehensive identification of local administration roles and the coordination between those roles and roles of central bodies in order to achieve full and sustainable development, to meet citizens' daily needs, and to enhance the provision of public services.

<sup>26</sup> In June 2010, the Ministry of Tourism, via a Prime Ministerial Decree, established the National Council for HRD in Tourism, which commenced operation in July of the same year. However, the council was cancelled in the first quarter of 2011, upon request from the Minister of Tourism at the time.

<sup>27</sup> To date; around 1,800,000 teachers has been trained in different education levels and fields

<sup>28</sup> Law No. 155 of 2007



Since 2006, **adopting a school-based reform** approach has been at the core of education reform in Egypt. This has consisted of important quality targeted areas, allowing schools exposure to a continuous improvement cycle including self-evaluation and the development of a school improvement plan. It is expected that schools will have a great deal of autonomy and will be accountable for their processes and results. As such, a comprehensive system of educational assessment, monitoring and evaluation is needed. Within that context, the Ministry of Education, in collaboration with international partners, has developed standardised tests which provide benchmarks for progress in education such.<sup>29</sup>

The **inclusion of local community and parents** in addition to representatives of the teaching staff in management of school based reform: with the issuance of ministerial decrees (decree 258 of 2005 and decree 220 of 2009)<sup>30</sup>. The Decrees covers matters including formulating and regulating the tasks of the Board of Trustees and its coordinating committees, as well as grants BOTs the autonomy to govern schools. Membership of the Boards of Trustees has been envisaged as including local community and parents in addition to representatives of the teaching staff.

**Developing the concept for an Egyptian National Qualifications Framework (NQF).** The Concept for an Egyptian qualification framework has been developed and presented to the Prime Minister in 2010, who has assigned NAQAAE to commence with development. The NQF, once implemented, will address a number issues; the lack of clarity in roles, the irrelevance of credentials vis-à-vis labour market needs, and the lack of a transparent flow/smooth transition between the education system, lifelong learning and professional/practical experience. Such a framework may assist in developing clearer and comparable qualifications, greater access to qualifications and to skills development, improved relevance of qualifications to employers, enterprises and individuals, and the benchmarking and quality assurance of Egyptian qualification against national and international standards, thus facilitating labour mobility (Egypt Human Development Report 2010). Since January 2011, no progress in the development of the NQF has been visible or shared with stakeholders.

Third, initiatives aimed at **improving, Labour Market Efficiencies**. Some examples of these initiatives are:

The establishment of the **Egyptian Observatory for Education Training and Employment EOETE**<sup>31</sup>, within **IDSC**, the **Information and Decision Support Centre**, with the objective to establish a dynamic labor market information system and training structure in Egypt by generating accurate and up-to-date data and information regarding both supply and demand. Thus its aim is to support policy-makers with regards to the system-level performance of education, training and labour market, as well as to forecast labour market needs and labour market assessment needs the sectoral level. The Observatory is a multilateral network that includes organizations involved in the labour market, education and training in the government, private and civil sectors.

Efforts have been made to **upgrade and modernize employment services**, mainly through the Egyptian Labor Market Service Reform Project (ELMSR), which was initiated 2001, implemented by the Social Fund for Development in partnership with MoMM and supported by international organisations. The overall objective was to develop modern and efficient public employment services. The initial plan was to establish 60 additional employment offices in the country by 2006 and an additional 15 by 2007. This number was reduced to 37 offices. The overall objective was to be achieved through three main goals: (1) establishing a comprehensive system of delivery of programs and services, in a network of offices throughout Egypt; (2) training professional staff to

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<sup>29</sup> HRD Report 2010

<sup>30</sup> Cancelling Ministerial Decree No. 334 of 2006 (which amends the Ministerial Decree 258 of 2005)

<sup>31</sup> Supported by the European Training Foundation, ETF

operate an employment service and training of trainers; and (3) expanding the usage and pertinence of the Egyptian National Occupational Classification System.<sup>32</sup>

**Extending Career Guidance Services** for young people through a number of initiatives. First, the MoMM, career guidance services are extended to jobseekers through public employment offices. Second, by the MoE, through establishing career guidance units with technical secondary schools to extend career guidance to school students.

## 5.2 What training systems are planned or in progress to train young people in the trades and jobs required by strategic or growth sectors?

Broadly speaking, Egypt may consider its strategic or growth sectors to be the industrial, the building and construction, the tourism, and the agricultural sectors. In this respect we may briefly describe the training systems in these sectors as follows:

### ▪ The Industrial Sector

The largest capacity for vocational training in Egypt serves the industrial sector. This includes both short and long term training programs by the Productivity and Vocational Training Department (administered by the Ministry of Industry and Trade), short terms training programmes offered by the VTCs of the MoMM, training programmes offered by the 8 ETPs, as well as those offered by the Industrial Training Council.

### ▪ The Building and Construction Sector

The largest training capacity for the building and construction sector is available within **TOMO HAR**; established in 1975 by the ministerial decree 433/1975 as an organisation affiliated to the ministry of Housing, Utilities and Urban Communities. TOMOHAR constitutes more than 70 centres addressing a number of trades such as: Formwork, Steel Fixing and Bar Bending, Brick and Block Work, Plastering, Electrical Installations, Plumbing, Aluminium and Metal Installation, Tiling and Cladding, Decorative Framework, Painting and Decorating.

Another very important training provider for the sector is the **Arab Contractors Management and Technology Training Institute (MTTI)**, which aims to be one of the first training entities in the Middle East and North Africa in Construction and Contracting Fields. The MTTI acquired certified trainers to train different trades such as formwork, steel fixing and bar bending, brick and block work, stonemasonry, carpentry & joinery, plumbing, plastering and scaffolding. The MTTI has the capacity to train up to 2000 vocational trainees per year.

### ▪ The Tourism Sector

Compared to the labour force in the tourism sector, the capacity of training provision for this sector is quite moderate, far from being able to fulfil the needs of the sector, in addition to being mainly focused on short-term courses extended by the Egyptian Federation of Tourism, with no real vocational qualifications offered.

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<sup>32</sup> Public Employment Services and Publicly Provided ALMPs in Egypt, Amina Semlali and Diego F. Angel-Urdinola, 2011

### ▪ **The Agricultural Sector**

Similar to the tourism sector, the vocational training capacity of the agricultural sector is quite moderate in relation to the sector's employment share. The main training providers in this sector are the Central Department for Training (Ministry of Agriculture) and donor supported projects. Training provision is mainly limited to short-term courses extended to farmers and Ministry staff with no real vocational qualifications offered.

## **5.3 Building Skills within Informal Sector**

Despite the growing importance of informal employment, skills acquisition among informal sector workers does not yet play an important role in the policy agenda. Workers finding jobs in the informal sector come from diverse backgrounds, from young basic education dropouts to higher education graduates who can find few employment opportunities in the formal sector.

Traditional apprenticeship in the informal sector is the main entry point for dropouts from basic and post-basic education. Kinship or personal relations are predominant in traditional apprenticeships, as opposed to work contracts. Families or the apprentice bear the cost of training, either by direct payments to the master or through reduced wages. This type of training takes place entirely within the workplace and do not involve any complementary classroom-based education or training, it can last long periods of time – between four and eight years – while the apprentice progresses from helper to skilled worker. There is no certification of acquired competencies.

However, important shortcomings of traditional apprenticeships include: the partial transfer of knowledge from the master to the apprentice; large variations in the quality of the training provided; the perpetuation of existing low-productivity technologies; and a tendency for slow innovation. Learning in traditional apprenticeships is generally passive and non-experimental. Masters tend to lack the appropriate pedagogical skills and apprentices are always subject to the risk of being employed as cheap labour for menial tasks.

In the mid 60s, the GoE **through the Ministry of Insurance and Social Affairs** established a public scheme for the provision of short-term training (2-4 weeks duration) with the objective of strengthening the capacity of poor families, especially in rural and peri-urban areas, allowing them to engage in productive activities. The programme, **Productive Families**, is administered by the MoISA with financial and institutional support from the Social Development Fund (SDF) and international donors, and implemented by local NGOs in all 27 governorates, through more than 3500 VTCs, with an average training capacity of 50 trainees per VTC.

## **5.4 Public Private Partnerships for Skills Development**

As a response to skills gap and skills shortage, a number of public private partnerships have been developed in an attempt to bridge the gap between the labour market supply and demand. The following are an example of these partnerships:

**5.4.1 The Supreme Council for Human Resources Development (SCHR)**, a ministerial council chaired by the Minister of MoMM and is considered the highest authority in charge of formulating HRD policies, the only formal overarching body in which business and education come together.

Members include all the relevant Ministries (Education, Higher Education and the sectoral Ministries in charge of vocational training) as well as representatives of the trade unions and the private sector (through the federations of employers). While the Labour Law of 2003 revamped the SCHR, it has not, in actual fact, met in plenary session since the law was passed. Since 2005, several attempts to reactivate were initiated, but with no success.

**5.4.2 Sectoral Training Councils established within the industrial and construction sectors,** since 2006, having the objective of reforming education and training within their respective sectors, are managed by a management board including representatives from both the relevant business and training providers' organisations.

**5.4.3 Enterprise Training Partnerships (ETPs),** a PPP model introduced by the TVET Reform Programme<sup>33</sup>, where enterprises work in close partnership with education and training systems to influence the quality of skills by piloting different approaches in a specific sector or within a geographical area. Since 2005, 12 sectoral ETPs and 19 local ETPs were set up, where each of the ETPs is managed by a management board of which two-thirds come from the private businesses, which and one-third come from the education and training providers.

**5.4.4 The MKI-DS** programme encourages collaboration between business and education. Private companies (mainly medium and large) join an investors' association that participates in the implementation of a technical education programme through the Regional Units of the Dual System. Participating companies are responsible for the practical training component, during which students spend four days a week in factories and two at school. The companies contribute EGP 100 per student to cover the student's transportation expenses and the administrative expenses of the Regional Unit. At the end of the three years, the graduates receive a certificate from the investors' or business association and a diploma from the Ministry of Education<sup>34</sup>. According to an evaluation that was carried out in 2010, over 56% of the trainees have been offered jobs in the companies involved in their training.

**5.4.5 Boards of trustees in both pre-university education and higher education.** The Ministry of Education issued Ministerial Decree 258/2005 and 220/2009 (revoking Ministerial Decree 334/2006, which had amended Ministerial Decree 258/2005) to formulate and regulate the work of school boards of trustees and their coordinating committees and to grant them independence to govern schools. Board membership includes parents, members of the local community, and representatives of the teaching staff.

**5.4.6.** The participation of the business community on the **boards of trustees of technical colleges** with the objective of leading to measurable change in the policies and strategic directions of the colleges and in technical education in general.<sup>35</sup>

## **5.5 Access to Employment as a Leading Priority of Education and Training Systems?**

Egypt needs to introduce access to employment as a leading priority to the Egyptian education and training systems, through;

- Promoting entrepreneurship and self-employment and the introduction of entrepreneurship in the education and training system, as a core competence at the very early stages of the education system

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<sup>33</sup> A project co-financed by the EU and the Egyptian government for 66 million euro and implemented under the auspices of the Ministry of Trade and Industry for six years commencing mid 2005.

<sup>34</sup> Successful completion is assessed on the basis of a national examination that includes both theoretical and practical work.

<sup>35</sup> *Gap Analysis* prepared by the Academy for Educational Development for and with the Ministry of Higher Education, indicated that less than 30% of these boards are active

- The development and approval of a National Qualification System integrating all levels, which allows recognition and transparency of qualifications, accreditation of prior learning, portability of qualifications, as well as create pathways in the education and training system, avoiding dead end streets for VET graduates,
- Adoption of career guidance and counseling systems at the national level
- Enhancing the quality of education and training and bridging the gap between skills provision and the needs of the labour market
- Develop a labour market forecasting system,
- Improving the social and professional image of VET, by creating attractiveness, quality, and clear career paths.<sup>36</sup>

## 5.6 Other Measures

A national action plan on youth employment for 2010-15 was launched in 2009. The NAP process began in 2006 and was developed with the support of the ILO, the German Cooperation (GIZ) and the UN Secretary General's Youth Employment Network (YEN). The national action plan has been driven by the Ministry of Manpower and Migration (MoMM) in collaboration with other ministries, employers and workers' organizations, social partners and youth groups. The goal of the Youth Employment NAP is to increase youth employment and provide decent and productive jobs for young people by increasing youth skills, providing job opportunities and developing new labor market policies and programs to improve standards of living and equal opportunities. It is hoped that youth unemployment will decrease from 23% in 2006 to 15% by 2015 by creating 3 million jobs between 2010 and 2015 (ILO and MoMM, 2010).

However, this NAP was never formally approved by the authorities, and was still under consideration following the February 2011 revolution.

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<sup>36</sup> Egypt Report, Torino Process, 2010

## 6.0 Measures To Promote Job Creation

Job creation measures may take three forms: employment subsidy; entrepreneurship support and public work programs. Two of these measures are currently being supported in Egypt; Entrepreneurship support and Public Work Programs.

### 6.1 Job Creation Agents

**The Social Fund for Development SFD** was established in 1991, by a Presidential decree # 189, as a consequence of the Economic Reform and Structural Adjustment Program (ERSAP) with the aim of acting as a safety net to protect vulnerable groups against the adverse effects of the economic program, as a suitable organisation for **creating jobs at all skill levels** through the development and growth of both start-ups and existing small enterprises, especially for new entrants in the labour market, primarily young graduates, who make up over 80% of the total unemployed population. Consequently, SFD has since become the main funding vehicle for channeling both government and donor resources to the poor.

The SFD has five main objectives: Creation of employment opportunities to reduce the problem of unemployment; poverty alleviation; addressing the effects of economic reform and the transition to a market economy; development and financing of small and micro projects through the provision of financial and non-financial services; raising living standards of targeted areas and the development of civil society.

The SFD interventions focus on five specific target groups: young graduates of both sexes with intermediate and above intermediate education, potential small business entrepreneurs; small business owners wishing to expand their activities; unemployed; marginalized groups such as women, children and people with special needs.

#### 6.1.1 Support to Small Enterprises and to Micro-Finance

One of the most important mandates of the SFD is to provide financial and non-financial support to small and medium enterprises (SME) and to micro-enterprises<sup>37</sup> via:

- Loans to small businesses (granted by the banks, and more rarely directly by the SFD)
- Loans to micro-enterprises through the intermediary of NGOs
- Non-financial support in the form of business development services

Both programs implemented in 2006 for a period of 5 years received funding from the World Bank for a total amount of USD87.15 million. The objective of these programs is to create 18,000 SMEs that will create 60,720 jobs and 50,000 micro businesses that will create 60,000 jobs. Support for SMEs also aims to increase the lending penetration rate from 10% to 35%. These programs do not have specific target beneficiaries and the types and amounts of loans vary widely for all sectors.

#### 6.1.2 Public Works Program (PWP)

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<sup>37</sup> Although there is no unified definition of SMEs or micro and small enterprises (MSEs), according to the law 2004 a micro-enterprise has a paid-up capital of less than EGP50,000 and a small company has a paid-up capital that ranges between EGP50,000 and EGP1 million and employs less than 50 workers (Planet Finance, 2008).

The objective of the Public Works Program is to develop the basic infrastructure (drinking water, wastewater, roads, public building refurbishment, infrastructure and productive irrigation and drainage) in the poorest areas of Egypt. These labor-intensive interventions (at least 25% of the project value) are based on the local labor (at least 50% of the total workforce).

### **6.1.3 The Community Development Program**

The main objective of the Community Development Program (CDP) is to reduce poverty through the provision of small loans to very poor families in an amount ranging between EGP100 and EGP5,000. The employment impact of such a project is by definition small. Around 15,000 families received loans through this program in 1999, 40% of which are women. The interest rate is much lower than that of the market and the repayment rate is very high.

### **6.1.4 The Shorouk Program**

The Shorouk program was launched in 1994 in the framework of the 1994 National Program for Integrated Rural Development. Shorouk is developed under the Organization for Reconstruction and Development of the Egyptian Village (ORDEV) within the Ministry of Local Development. This program aims at promoting rural integrated development based on grassroots participation. Community members assess their priority needs in terms of physical infrastructure, social services, and economic opportunities. It aims at providing job opportunities to the rural unemployed.

### **6.1.5 Business/Technology Incubator**

The programme enables small entrepreneurs to discover their potential and innovative capabilities and help them translate their ideas into distinguished and applicable productive enterprises. The entrepreneur joins the incubator for a period that ranges between 2 and 5 years to be determined according to the enterprise nature and its ability to complete its economic growth cycle. Existing entrepreneurs may also benefit from the incubator's activities through affiliating to the incubator in consideration of a nominal annual subscription.

**Incubators offer an integrated package of services, including** technical Services, assistance in developing the business plan and the detailed budget for the enterprise, promotion for these specific enterprises engaged in workshops, specialized laboratories and assistance in creating communication tools with other enterprises according to the needs of each enterprise, intensive training programs for creating efficient cadres capable of managing the enterprises cost-effectively, marketing Services, participation of distinguished enterprises in internal and external exhibitions, accounting services, beneficiaries are given assistance in preparing Invoices, financial and administrative cycle for their enterprises, managerial Services, word processing and translation, training on handling the receptionist's duties, fax, internet services, on-line linkage with international information networks.

## **6.2 Measures for Supporting Pathways into Work for Women<sup>38</sup>**

Initiatives to encourage female employment are practically nonexistent (Mona Amer 2012). This is all the more disconcerting that the female participation rate in Egypt is low and has decreased between 1998 and 2006 among the most educated women. Moreover, numerous studies have shown that women face barriers to entry in the formal private sector (Assaad and Arntz, 2005). A

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<sup>38</sup> Active Labor Market Policies: Mapping of Existing Initiatives in Egypt, Mona Amer 2012

policy to support women's employment in the formal private sector seems necessary.

A report edited by the World Bank (2010) on improving employment opportunities for women in Egypt explores ALMPs that are likely to support female employment. Based on ALMPs implemented in some developing countries and given the Egyptian labor market context the report recommends three types of policies:

- Assistance in job search, targeting women since women are disadvantaged in their search for employment;
- Female employment subsidies. Although the subsidy policies of employment may lead to a substitution of one type of job to another, the informational externalities that may arise could help correct stereotypes and prejudices perceived by employers vis-à-vis women and vice versa;
- Support for training programs is an option, although the report's authors stress that their impact is relatively small in developing countries.

In 2007 a pilot project, the Gender Equity Model of Egypt (GEME) funded by the World Bank aimed at promoting gender equality in the private sector, by improving recruiting practices, human resource management, and by implementing policies and practices operating throughout the firm through four components:

- Optimize human resources to increase companies' efficiency and competitiveness by promoting gender equity;
- Promote positive, interpersonal relationships in the workplace to enable men and women with different skills, perspectives and backgrounds to contribute to organizational goals and employees' professional needs;
- Engender greater staff commitment and loyalty;
- Allow the general public to associate a firm's products and services with a commitment to gender equity in the workplace through the use of the Gender Equity Seal.

Between 2007 and 2009, over 550 employees and managers trained in gender-related issues in the workplace and five companies introduced their own communication skills courses for hundreds of their employees, as well as Corporate Social Responsibility manuals and tools such as anti-harassment and discrimination forms. Firms that succeeded in establishing the GEME received the Gender Equity Seal in recognition of their commitment to gender equity in human resource management.



## **7. A Highly Significant Experience Involving the School-to-work Transition or Youth Employment - Mubarak Kohl Initiative (MKI): Introducing a Co-operative Dual Training System**

### **7.1 Background**

The Mubarak Kohl Initiative for Dual System (MKI-DS) – now officially referred to as “Dual System” - was thus introduced to technical secondary schools administered by the Ministry of Education, in 1994, with the support of the German Federal Ministry for Economic Cooperation and Development, to develop a dual VET system in Egypt, based upon the German model but seeking to adapt it to the specifications of the Egyptian context.

At the time of introducing the Dual System, approximately two-thirds of secondary level students entered the technical secondary education, receiving purely school-based, theoretical, low quality and low relevance education, in addition to weak payoff in the labor market. Technical secondary schools were, assessed as, under-funded, suffering from outdated curricula and equipment, and focusing on theory taught by teachers with inadequate training and industrial experience.

### **7.2 Objectives of the Dual System**

The objective of the Dual System is to address the challenge of managing the transition from education to work and improve the quality and relevance of technical secondary education, through linking technical secondary schools to the industry, to facilitate the provision of relevant skills and work-place training to TSS students.

The main principles of the programme are based on the following participatory approach:

- It leans upon two partners, the state and the private sector
- Trainees are educated and trained both in the schools and the enterprises
- Costs are shared by the Government and the private sector
- Rules and regulations are agreed among stakeholders
- Examination and certification are carried out and issued jointly by the stakeholders

### **7.3 Target group (which young people and how many?);**

The initiative’s main target group, the main beneficiaries, is technical secondary school students (normally within the age bracket 15 to 20 years). They are those who have completed their preparatory education level and have entered technical secondary education (either the 3 year technical diploma or the 5 year advanced technical diploma).

### **7.4 Stakeholders**

The Dual System encourages collaboration, at the local level among business and education. Employers are represented through the regional Investors’ Associations that participate in the steering of the Dual System. On implementation level, the Investors Associations have

established Regional Units of the Dual System (RUDS), which are financed by private sector contributions and responsible for the allocation of youth in apprenticeships. The Initiative aimed at establishing joint venture between technical secondary schools and private investors associations.

## 7.5 Resources:

The resources made available for the implementation of the Dual System include:

1. As already implied, one of the important benefits of Dual System for schools is in the diversification of financing with contributions from the private sector. The Dual System training does not depend solely on public financing, nor does it place a burden on households with costly tuition, but instead, it acknowledges the benefits employers receive from the program and engages them in its financing.
2. Between 1994 and 2009, funding was provided by the German Government to cover teachers' training, updating of curriculum and developing instructional materials as well as for financing school infrastructure and equipment. After 2009, the German support officially ended and the Dual System is since running financially independent of external sources.
3. The private sector provides resources for work place training, work place instructors from company employees, as well as student stipends, EGP 100 per month to cover the student's transportation expenses and the administrative expenses of the Regional Unit and in some cases for school equipment,

## 7.6 Dual System Implementation (within the framework of existing institutions or through means that are specific to the target group and objectives)

At the national level the Egyptian executing agency for this initiative is the General Directorate for Vocational Education and Training (GD-VET) of the Ministry of Education and the Federation of Egyptian Investors Associations including its executing arm the National Center for Human Resource Development (NCHRD).

- The initiative builds on **partnerships between the government represented by the Ministry of Education and the private sector**. The cooperation started by identifying demanded technical and vocational skills and the geographical areas to introduce the program and consequently the Ministry of Education was responsible for developing new curricula, training the teachers, improving the quality of the schools that host the program.
- German technical cooperation initially supported development of new occupational profiles to align teaching with the knowledge required in the workplace. Textbooks and instructional materials were developed in line with these profiles. Teachers were trained on the use of the new curriculum emerging from the revision of occupational profiles as well as on technical and pedagogical skills for imparting knowledge in the classroom.
- Trainees are selected by the Regional Units of the Dual System (RUDS), sometimes involving individual companies as well.
- Learning in the Dual System takes place both in the school and in the factory. The learning that takes place in the school is shaped by the curriculum and lesson plans. The learning in the factory also needs to be part of a systematic plan with clear learning goals. Assessment of this learning in the workplace when Dual System began was initially tracked by using student diaries supplied by the Ministry of Education. These diaries

provided daily and weekly records of job assignments and learning activities and the student's assessment of that experience. The diaries were available for review by supervisors in the workplace, by RUDS officials during regular workplace visits to monitor student performance, and by teachers in classrooms to coordinate classroom activities with those in the workplace.

- Students spend two days per week in their technical secondary school, mainly acquiring knowledge of theory, while spending four days per week in the workplace, developing practical skills and acquiring workplace behaviors.
- Investors are engaged in setting standards for occupational profiles, validating curricula, delivery of training on the job, and assessment of student learning
- Assessment of work place learning is tracked by using student diaries supplied by the Ministry of Education. These diaries provide daily and weekly records of job assignments and learning activities and the student's assessment of that experience. The diaries are available for review by supervisors in the workplace, by RUDS officials during regular workplace visits to monitor student performance, and by teachers in classrooms to coordinate classroom activities with those in the workplace.
- The scheme is a recognized part of secondary technical education options; therefore, graduates have to pass the technical secondary school diploma examination, leading to a degree awarded by MOE. In addition, they are awarded a practical experience certificate offered by the EIU and registered by the Arab-German Chamber of Commerce.

## 7.7 MKI Impact Assessment (Qualitative and Quantitative)

The table 7.1 through to table 7.7 provides an overview of the achievements and progress of the Dual System in **quantitative terms**, particularly focusing on the years after the conclusion of the German technical support:<sup>39</sup>

**Table 7.1: Dual System Occupations**

	2009/2010	2010/2011	2011/2012	2012/'2013	2013/2014
<b>Industrial</b>	21	27	29	30	32
<b>Commercial</b>	3	3	3	3	3
<b>Hospitality</b>	3	3	4	4	4
<b>Agriculture</b>	2	4	4	6	7
<b>Total</b>	29	37	40	43	46

*Source: MoE 2014*

**Table 7.2: Dual System Schools**

	2009/2010	2010/2011	2011/2012	2012/'2013	2013/2014
<b>Industrial</b>	16	18	20	20	20

<sup>39</sup> Data from GIZ

<b>Commercial</b>	10	10	11	11	12
<b>Hospitality</b>	1	1	2	2	2
<b>Agriculture</b>	1	3	3	3	3
<b>Total</b>	28	32	36	36	37

*Source: MoE 2014*

**Table 7.3: Dual System Attached Schools<sup>40</sup>**

	2009/2010	2010/2011	2011/2012	2012/'2013	2013/2014
<b>Industrial</b>	41	47	63	78	81
<b>Commercial</b>	9	10	12	12	12
<b>Hospitality</b>	4	8	10	8	7
<b>Agriculture</b>	5	6	9	12	16
<b>Total</b>	59	71	94	110	116

*Source: MoE 2014*

**Table 7.4: Dual System In Factory School<sup>41</sup>**

	2009/2010	2010/2011	2011/2012	2012/'2013	2013/2014
<b>Industrial</b>	2	8	11	16	17
<b>Commercial</b>	-	-	-	1	1
<b>Hospitality</b>	-	-	-	-	-
<b>Agriculture</b>	-	-	-	1	2
<b>Total</b>	2	8	11	18	20

*Source: MoE 2014*

**Table 7.5: Dual System Student Enrolments**

	2009/2010	2010/2011	2011/2012	2012/'2013	2013/2014
<b>Industrial</b>	11,873	17,438	19,432	21,232	21,067
<b>Commercial</b>	1,405	2,128	2,083	2,225	2,249
<b>Hospitality</b>	288	477	1,125	1,512	1,975
<b>Agriculture</b>	403	719	826	934	1,423

<sup>40</sup> These are classes adopting the dual system operating within schools that are using the national education system

<sup>41</sup> These are schools within factories but under the supervision of the MoE, an example is the MCV School and Bihara School

<b>Total</b>	13,969	20,762	23,466	25,903	26,714
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Source: MoE 2014

**Table 7.6: Dual System Teachers within the system**

	2004/2 005	2005/2 006	2006/2 007	2007/2 008	2008/ 2009	2009/2 010	2010/2 011
<b>Teachers</b>	1,500	1,700	1,700	1,700	1,900	1900	665

**Table 7.7: Other MKI figures, 2009<sup>42</sup>**

22	Governorates out of 27 currently offer the MKI-DS educational option
1,900	Private Sector employers offering training to MKI-DS students. Over 80% of participants are in industrial companies, around one in eight in the service sector and a small number in agriculture
24,000	MKI-DS Graduates
13%	Of total graduates are women
85%	Of graduates that had been offered jobs in the companies where they received training in 2009. (CID Tracer Study, 2009)

The initiative has still a great potential to increase the number of involved students, school and companies. In 2009, there were 1900 companies participating in the MKI-DS, out of a potential number of 25,000 or more formal sector enterprises. Attracting more companies would enable serving more students and working in more schools and sectors.

On the other hand **qualitative outcomes**, confirm that the MKI has been successful in improving the integration of theoretical and practical learning, in creating links between the private sector and the vocational education system, involving the private sector in the financing of TVET, in the setting up of partnerships at different levels within the TVET system and in developing increased labour market relevance.

- The Dual System has demonstrated the potential of the **public-private partnership** for schools and private sector and has created a win-win situation for both sides of the partnership.
- Improving the **relevance** of what is taught in the Technical Secondary Schools and equipping students with realistic expectations about the skills and behaviors sought by employers through their work experience.
- The **impact on the process of transition from school to work** for dual system graduates was found to be important. 85% of the graduates were offered employment at the time of graduation. 52.8% chose to accept employment and of those employed 32.8% were working the same factory where they had taken their training. 56.8% were pursuing further studies with a high percentage of those doing

<sup>42</sup> The MKI-DS in Egypt: An Assessment of its Impact on School To Work Transition, Arvil V. Adams, 2010

this while working.<sup>43</sup>

- Inclusion of the employer through their representation and participation in the qualification of students for the labour market, including primarily the modern sector. Employers highlighted the greater voice the program had given them in education policy as a benefit of the Dual System.
- In some settings, schools benefited from employers providing additional **financing** for equipment. Schools also benefited in cases where teachers were given practical training in factories, although this did not happen as systematically as it should have.
- Graduates of the Dual System are **more valued** by Egyptian employers in comparison with other TSS students. According to a study Dual System graduates earned an estimated 20% to 30% more, plus they benefited from small earnings during their training.
- Improvements in behavioral skills that were acquired by students and engagement of youths in learning about work habits, timeliness in attendance, teamwork, and responsibility.
- **Graduates improved their own perception** of technical education through participating in the Dual System.
- For schools, there were cost savings with the dual system, as students attended school only two days per week in comparison to six days of traditional TSS. The reduced number of days provides schools with greater flexibility to absorb additional students, or alternatively, to handle the same number of students with fewer teachers.
- **Teachers** of Dual System schools benefited from the training offered by factory technicians and working with up to date technology in production. In addition to acquisition of practical skills and personal relationships in the work setting.

## 7.8 Potential for Scaling-up of MKI-DS

The Dual System has become a recognized secondary education programme functioning within the structure of the Ministry of Education, through legalisation and institutionalisation in the form of a specific legal framework and the fully Egyptian governance structure, with the partners including the Ministry of Education and the Federation of Egyptian Investors Associations as well as some individual companies.<sup>44</sup>

One of the limitations of the Dual System is that the number of participants' remains quite small compared to the total number of potential students (representing 1,59% of all secondary technical education students).

However, there is considerable potential for scaling up the MKI-DS since it fits well within the larger reform strategy for technical education. Accordingly the review conducted on behalf of GIZ in 2009 has highlighted eight areas where the DS can be strengthened. This includes, a) **scaling up the DS**, b) **strengthening the financial base**, c) **improving governance**, d) **enhancing quality and relevance**, e) **improving student services**, f) **expanding the role of investors**, g) **promoting evidence based policies and management**, and h) **promoting knowledge sharing and public awareness**.

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<sup>43</sup> Tracer study conducted by CID Consulting, 2009: focused on a sample of graduates drawn from the Sixth of October and Sohag Governorates

<sup>44</sup> Law No. 62/2007 provides the legal framework for MKI-DS. The MKI-DS is now legally integrated at the Ministry of Education, Decree Nr. 361 of 10.11.2008, which opened the way to a regular budget.

#### **a) Scaling-up the Dual System**

1. Study the possibility of converting classrooms, rather than entire schools, to the DS to enable the program to address the needs of smaller markets.
2. Increase the number of companies participating in work place training, especially for sectors with high growth potentials
3. Develop a comprehensive strategy for the expansion of the Dual System which fits within the larger reform efforts of the TVET system with a time-bound action plan and clear set of goals

#### **b) Strengthen the Financial Base**

The Ministry of Education does not have a separate budget for the Dual System but the budget is combined instead with general TSS and is generally considered to be inadequate for the challenges

1. There should be a separate and clearly defined budget for the Dual System, allowing for certain financial autonomy and planning, rather than only ad-hoc access of the general TSS budget
2. The activities undertaken by the MoE GD-VET (supporting the Executive Council, supporting the NCHRD and RUDS, conducting tracer studies, school inspection, and independent assessment of graduates) should be accounted for and funded in the MKI-DS budget, in addition to budget

#### **c) Improving governance**

1. Building capacities of the Executive Council, enabling it to undertake a supervisory role of the DS, setting performance targets to be met by the program and policies. Information within the governance framework should flow in both directions. Just as implementation issues need to be elevated to a higher level within this structure, there are occasions where decisions and good practices will need to be pushed downward from the Executive Council to the NCHRD and GD VET, and from there to RUDS, employers, and schools.
2. At each level of the governance structure of the DS, schools and employers need to be empowered to address implementation issues and move these issues to appropriate levels for decision-making.
3. Clearly define the functions at each level of the governance structure (particularly for NCHRD, the RUDS and for GD-VET), similar to those defined for the Executive Council (by Decree No. 106 of 2010).

#### **d) Enhancing Quality and Relevance**

1. Provide students with opportunities to practice on actual equipment used in production and instruction from skilled workers. The gains in quality and relevance of the practical training offered are expected to translate into improvements in productivity, employment and earnings for students.
2. Revise textbooks and instructional materials periodically to stay up-to-date with technological changes.
3. Apply systematic forms of training and upgrading of DS teachers.

4. Encourage employer companies to undertake their responsibility in improving teaching quality by allowing teachers' exposure to the workplace through arranged periodic visits and work assignments. Short-term visits and placements of teachers in industry during vacation periods can acquaint them with equipment and tools used in the workplace and expectations of employers for students.
5. Improve the work place learning through setting clear learning goals and reinstating the student diary on a compulsory basis and link it to the final exam as a means to track and assess work place learning.
6. Enhance the process of school inspection and testing by utilizing inspectors who are familiar with the DS curriculum and learning objectives, or by creating a cadre of DS inspectors.
7. Work closely with the employers and the RUDS to establish minimum standards for equipment that would reinforce the knowledge of theory in the classroom and ensure the adequacy of budgeting to reach these standards.

**e) Improving Student Services**

1. Information about the labor market and the DS itself could be provided through job fairs co-sponsored by NCHRD and GD-VET. Annual job before graduation from DS students can provide valuable information about careers in various industries and give students and parents an opportunity to meet employers and learn about the training and jobs offered. Students also mentioned the value of developing DS alumni networks and using these networks for mentoring students currently enrolled in the program. These networks could also be used in efforts to trace students and monitor subsequent employment experiences.
2. RUDS have to play an important role in addressing problems encountered by students during the in-company training (such as long working hours, unpleasant working conditions, and menial jobs unrelated to the expected training). RUDS should consider this as part of their main responsibilities and therefore regularly visit and inspect students working environment and tasks.

**f) Expanding the Role of Investors**

1. Expand the role of EFIA, mainly through stronger involvement of NCHRD in supporting and guiding the Executive Council in the scaling-up of the DS (as well as in the creation of new RUDS and trades).
2. Investors (through the regional RUDS and the NCHRD) need to develop in-company trainer profiles and provide training for those engaged in practical instruction. This would increase the quality of in-company training and empower instructors to contribute more effectively to the development of curricula and teaching material.

**g) Promoting Evidence-Based Policies and Management**

1. Develop a management information system capable of monitoring administrative records and producing regular reports about performance indicators, cost of services, and spatial comparators for rural and urban areas by governorate and gender. To allow decision makers (Ministry of Education, EFIA) to take evidence based decisions.
2. The DS could benefit from periodical studies monitoring regional employment and technological trends and quality issues of education to support decisions on the establishment of new RUDS and trades. These reviews and studies should be strengthened as part of developing a learning culture surrounding the DS (and technical education at large). Resources should be available for periodic rigorous program evaluations using either random experimental designs or quasi-experimental designs.



#### **h) Promoting Knowledge Sharing and Public Awareness**

1. The dissemination of good practices on the level of schools, in-company training, and RUDS management by NCHRD and GD-VET is important to transferring these practices and improving the general performance of DS. Therefore stronger efforts should be made by NCHRD and GD-VET to identify good practices that resolve implementation issues or improve program outcomes.
2. RUDS that are especially effective in carrying out their supervision of students in the place of work should be recognized for their efforts and schools that open opportunities to teachers for upgrading their skills need to be recognized. On an annual basis, top performing schools, employers, and RUDS in the MKI-DS program should be recognized and their practices shared with others.
3. Creating public awareness of DS activities and their outcomes for students is another way to enhance the image of the program and technical education. News on program achievements should be disseminated regularly and shared with local and national media representatives.
4. Monitoring and evaluation of the DS should contribute to annual reports and be shared widely with policy makers and educators, private sector representatives, parents and students as well as academia.
5. Knowledge sharing should become part of the routine and culture within the DS. The two national bodies, NCHRD and GD-VET have to play an active role, for example by establishing links with all interest groups.

## **8. International Perspective**

### **8.3 Forms of Cooperation/Partnerships with other Countries**

In the area of education and employment, Egypt, has, for long, developed a number of partnerships with international organizations. Some examples are

1. **The U.S.A. through the U.S.A Agency for International Development (USAID), which aims at enhancing Egypt's global competitiveness through programs that create private sector jobs and sustain human and natural resources by focusing on basic and higher education among other areas.**
  - 1.1 Egyptian Competitiveness Project 2011-2014: Establishment of Employment Units in the pilot schools, module on entrepreneurial learning, enhances the capacity of training units in schools and training of school
  - 1.2 Secondary Education Enhancement Project 2000-2012: Currently in its third phase; Goal of conversion of 315 commercial secondary schools to general secondary schools to increase enrolment in secondary general from 30-50%; revision of curriculum framework with a view to unify secondary education curriculum, better integrating technical and general part

2. **European Commission (EC) supporting Egypt's reform of its technical and vocational education and training sector and enhancing the employability of job seekers.**
  - 2.1 TVET Reform Programme (2005-2012), a projects focused on piloting in the reform of TVET through Public Private Partnerships.
  - 2.2 **Education Sector Policy Support Programme (ESPSP) 2008- 2012;** Direct budget support to 11 out of 12 policy priority areas of the National Strategic Plan (NSP) for Pre-University Education. Supporting open and equitable access for all children to all educational levels (focus girls, vulnerable), quality of educational services and learning outcomes, support to improving system efficiency and effective management of public spending in education
  - 2.3 TVET Reform Programme (in the pipeline), a project aimed at the reform of three main areas within the TVET sector; Governance of TVET, Quality of TVET, and the transition from School to Work
  - 2.4 Extending technical assistance since 2000, through the European Training Foundation, a technical agency of the European Union in various aspects of the TVET and labour market issues.
3. **Italian Development Cooperation**
  - 3.1 Effective School to Work Transition through Career Information and Guidance for Youth, in enhancing public employment services
  - 3.2 Education and Training for Egyptian Youth in Fayoum Governorate: facilitate qualified youth employment in the national and international labour markets by enhancing local education and training opportunities and provision of career guidance and training placements in companies.
4. **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**
  - 4.1 **Economic Integration of Women in the MENA Region (EconoWin) 2010-2016,** for the integration of women in business and employment
  - 4.2 **Private Sector and Employment Promotion (PSEP) 2012-2013,** to improve the employment situation of young people and contributes to the economic and social development and stabilization of Egypt. Sustainable structures are established for job placement, the job quality in small and medium-sized enterprises is enhanced.
  - 4.3 **EPP-Career Guidance -School to Work Transition,** EPP is fostering the establishment of school to work transition services within Technical Secondary Schools in 3 pilot regions. School to work transition services **aim to** support young people (16 – 24 Years old) for a better transition management from education to work through self-awareness (exploring their strengths, and interests, getting aware of the marketable skills they possess, and developing a personal profile), opportunity awareness (getting acquainted with relevant education pathways – for those who want to continue their education beyond upper-secondary – and with local labor market opportunities that could match their personal profile, and transition making (getting to know techniques for job searching, and know how to obtain and maintain their jobs).
5. **The International Labour Organisation ILO**
  - 5.1 Effective School to Work Transition through Career Information and Guidance for Youth 2008-2012, extending employment services at local level

5.2 Decent Jobs for Egypt's Young People a project implemented by the ILO, 2011-2015, to increase decent employment opportunities for young men and women especially groups that find it particularly hard to get access to such opportunities

5.3 Decent jobs for Egypt's young people - Tackling the Challenge of Young People in Agriculture

**6. The World Bank through a number of initiatives such as**

6.1 Skills Development Project SDP 2004-2010, Stimulating private sector demand for skills development training by piloting a demand-driven and competition-based financing mechanism to provide training for SMEs

6.2 Wfd Workforce Development and

6.3 Higher Education Enhancement Program.

**7. Canadian International Development Agency CIDA**

7.1 Early Childhood **Education Enhancement Project (ECEEP)** 2012-2005, To enlarge and strengthen quality in early childhood education

7.2 Decent Jobs for Egypt's Young People a project implemented by the ILO, 2011-2015, to increase decent employment opportunities for young men and women especially groups that find it particularly hard to get access to such opportunities

**8. Australian Agency for International Development (AusAID)**

8.1 Decent jobs for Egypt's young people - Tackling the Challenge of Young People in Agriculture (co-financed by EPP and SDC)

**8.4 Expectations Regarding Possible Cooperation and Pooling of Experience Between Countries**

Two areas for possible cooperation could be identified:

- Build Cooperation with African countries towards a regional development initiative that would ensure recognition of qualifications and smooth mobility of labour force in the region.
- Build Cooperation with African countries towards a regional development initiative that would facilitate and allows exchange of experiences, models and best practice in agricultural education and training, as well as exchange of expertise and students.

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## Annex 1 – Formal Apprenticeship Schemes

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Currently, there is a total of six formal, well established apprenticeship schemes are operational in Egypt; the PVTD industrial apprenticeship scheme, the MKI Dual System, the Alternance Training, the MoMM Apprenticeship scheme, the Industrial/Modern Apprenticeship, and the Integrated TVET scheme.

**Productivity and Vocational Training Department (PVTD) administered by the Ministry of Trade and Industry, was set up** in the 1950s, in an attempt to formalise Egypt’s traditional apprenticeship model, where the GoE embarked on the establishment of a network of public vocational training centres offering vocational and practical training programmes, through class and work based training. The PVTD, constitutes 45 centres, geographically distributed among 17 governorates across the country. The programme leads to a certificate issued by the PVTD that has equivalent legal status to a technical secondary school certificate.

The capacity of the Productivity and Vocational Training Department is slightly over 22 000 participants, representing around 1% of all students in upper secondary vocational education, which remains a very small programme in the Egyptian context.

**Dual System under the Ministry of Education, governed by Regional Units for Dual System RUDS**, introduced to Egyptian technical secondary schools in 1994, with the support of the German Federal Ministry for Economic Cooperation and Development, through a bilateral Egyptian-German technical cooperation programme, highly influenced by the German model of apprenticeship. The Dual System combines two days of formal schooling with four days of in-company training, giving the students the necessary theoretical background and the hands-on experience demanded in the market. Today, the dual system is a fully integrated scheme within the Egyptian education system; with both corporate and public sector institutions responsible for its governance and outcomes.

However, one of the limitations of this project is that the number of participants’ remains quite small compared to the total number of potential students (representing only 0.52% of all secondary technical education students).

The **Alternance Training Scheme** was introduced to TSS in 2007/2008, by the EC funded TVET Reform Programme. The “Alternance Education and Training Model”, is a form of cooperative technical education, which involves close intervention from private sector employers (at sectoral and local level) in developing curricula, training teachers and instructors, training company tutors, upgrading training workshops and providing students with modular practical training and certification based on specific jobs within certain occupations. This partnership is regulated through a tri-partite contract signed by the school, company, and parents and administrated by a PPP, the Enterprise TVET Partnerships ETPs.

**The apprenticeship scheme of the Ministry of Manpower and Migration administered through its 37 VTCs**, distributed all over Egypt, offering a wide range of short term training in various specializations, as well as long term apprenticeship programmes. Under this scheme, through

the Central Department of Vocational Training supported by the labour offices, apprentices (age 12 to 18 years old), are engaged with employers for the purpose of learning a certain vocation during a specific time period (2 to 3 years divided into 3 stages) according to an agreement to be concluded between the worker or his guardian and the employer (specifying a progressive wage).

**The Industrial apprenticeship scheme (also known Modern Apprenticeship) governed by the Industrial Training Council under the Ministry of Trade and Industry (MoTI)**, a pilot scheme, introduced in 2012, focusing on the industrial sector with the perspective of replicating it for other sectors. The ***scheme targets young and adult jobseekers*** (between 18 and 35 years ***old***), ***engaging them in*** a short span (1 to 6 months ***work based training***), non-educational, joint training programme between the training centres and the workplace, adhering to European-benchmarked National Skills Standards found in Egyptian Vocational Competence-Based Qualifications (EVCQs) and accredited by SQA.

**The Integrated TVET Scheme<sup>45</sup> under the Ministry of Education in collaboration with public and private companies (Joint School Initiative)**, where joint schools are established and managed within the premises of the cooperating company or as a part of the company training centre.

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<sup>45</sup> Also referred to as the Joint School Initiative