

# **THE LABOUR MARKET AND THE POOR IN EGYPT: JOBS INADEQUACY AND EMPLOYMENT GENERATION POLICIES\***

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## **INTRODUCTION:**

Employment inadequacy has increased in Egypt and the poor are expected to suffer relatively more than the other income groups from this situation. The implementation of the Economic Reform and Structural Adjustment Program (ERSAP) on the national level, and the implications of globalization on the international level are important causes for rising employment inadequacy in the economy. On the other hand, social policies are applied by the government to create employment and generate income for the poor in Egypt.

The objective of this study is to provide answers for three questions regarding the status of the poor with respect to employment inadequacy in the society, and how do they behave to survive this situation. First, does poverty increase the exposure of labour to employment inadequacy; i.e., are the poor more vulnerable to unemployment as compared to the rest of the labour force? Second, what are the social policies applied that target employment creation and income generation for the poor? Third, how do the poor cope with employment and, hence, income inadequacy? However, before attempting to answer these questions the status of employment inadequacy in Egypt will be reviewed.

To answer the first question, the employment profile of the poor has to be investigated to find out the economic activities in which they are mostly engaged and how do these sectors behave with respect to output and employment growth. But, because of lack of data on the employment profile of the poor, the employment profile of the uneducated will be examined instead since, as will be shown below, the uneducated are a good proxy to the poor in Egypt. For the second question, we shall point out the pro-poor policies that target employment creation in Egypt. For the third question, we shall differentiate between two means for coping of the poor with employment inadequacy. The

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first means is through searching jobs outside the formal labour market (i.e. getting engaged in informal employment), and the second means is through the adaptation mechanisms they apply to cope with the implication of job inadequacy of low -or even zero- income earned by the household's bread winner(s).

Thus, the paper will consist of four parts beside the introduction which forms part one. Part two will be on identifying and reviewing the employment inadequacy in Egypt. The employment profile of the uneducated will be examined in part three. Part four will cover the employment generation policies. Finally, part five will be on how the poor cope with unemployment and the lack of income.

### **1 - EMPLOYMENT INADEQUACY IN EGYPT:**

Employment inadequacy means more than just open unemployment; it includes also underemployment and discouraged workers. By underemployment, it is meant those who work less number of hours than they desire because of the non-availability of sufficient full-time jobs (i.e., taking involuntary part time jobs), and also those who are engaged in full-time work, but effectively they are underemployed in terms of their productivity and potential earnings (i.e. disguised unemployment). The discouraged workers are those who desire work, but are not searching it for different reasons (like assuming it is difficult for them to get a job because of the prevailing high unemployment rate, or assuming that they don't have the right qualifications for getting the job, or assuming that they will not get fair financial compensation for their qualifications, etc.).

There is more than one estimate for open unemployment in Egypt. What we care for here is the trend of unemployment. According to the last two rounds of Population Census (the 1986 and 1996), the unemployment rate was 9.0% in 1996 as compared to 12.4% in 1986, indicating a fall in open unemployment over the 10-year period (CAPMAS, 1989; and CAPMAS, 1998). In the Egyptian Labour Market Survey 1998 (ELMS 98) carried out by the Economic Research Forum (ERF) in cooperation with the Central Agency for Public Mobilization and Statistics (CAPMAS), and designed to be comparable to the October 1988 Labour Force Sample Survey (LFSS) carried out by CAPMAS<sup>1</sup>, the unemployment rate was estimated at 5.4% in 1988 (LFSS 88) and 7.9% in 1998 (ELMS 98)

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<sup>1</sup> This was a special round of the LFSS (Assaad, 1999).

using the extended labour force definition, and 3.2% and 4.7% in the two mentioned years, using the market labour force definition<sup>2</sup> (Assaad, 1999). In both estimates, unemployment rate took a rising trend over the ten years period 1988 - 98. Although the two covered periods, 1986 -1996 and 1988 - 1998, are largely the same, and also despite that the same agency, CAPMAS, was responsible, fully or partly, for the four data sources -the Population Census (PC86 & PC96) and the Sample Surveys (LFSS 88 & ELMS 98)- it is striking how large is the discrepancy in the estimates of the unemployment rates. In fact the two estimates are conflicting; the population census showing declining unemployment rate, while the labour force survey indicating rising unemployment!

The events that the Egyptian economy went through in the nineties as compared to the eighties makes one more inclined to believe that open unemployment has increased, regardless of its level. The two most important events in this respect were the Gulf War in 1990 and the Economic Reform and Structural Adjustment Program (ERSAP) adopted in 1991; both contributed to raising unemployment in Egypt. One may also add globalization as a factor at work in the longer run<sup>3</sup>. ERSAP's policy package included contractionary fiscal and monetary policies and privatization, which contributed to more unemployment in the economy. The impact of the Gulf War was the return of the Egyptian labour (about one million individuals), putting pressure on the labour market and putting a hold on the remittances which was one of the important sources for foreign exchange in Egypt<sup>4</sup>.

Jobs creation in the economy is becoming inadequate as can be drawn from the media coverage on the lay-off of thousands of workers in large private enterprises, the hardships that the small private

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<sup>2</sup> The only difference between the extended definition of the labour force and the market labour force definition is that the former definition includes the females who are engaged in subsistence agriculture; those count for a large number of employed female labour (Assaad, 1999; 14).

<sup>3</sup> For the impact of ERSAP and globalization on employment in Egypt, see Korayem (2002).

<sup>4</sup> However, one may safely say that the Gulf War has already run its course as a causes for raising unemployment in Egypt. After more than 10 years from this War, one may say that its impact on the Egyptian labour market is more likely to be terminated. Some of the returnees have gone back to the Gulf, and the rest seems to be absorbed in one way or another in the labour market, either by returning to their old jobs, or by finding new jobs, or by ussing the financial compensation they received from the Gulf to set up their own enterprises.

enterprises are facing, the growing number of early retirements in the public sector, and the difficulties that graduates encounter in getting a job. All that points out to the direction that the unemployment trend has been rising in Egypt<sup>5</sup>. This rising trend of unemployment and the seriousness of the unemployment problem that the country is facing is corroborated by other researchers<sup>6</sup>. Generally speaking, there is a lot of confusion and uncertainty regarding the estimated level of unemployment in Egypt. Official data seem unable to capture the whole picture and characteristics of unemployment. Independent estimates were provided to make up for this deficiency; some estimates suggest real unemployment rate of up to 21%<sup>78</sup>.

Regarding the other two components of employment inadequacy- underemployment and discouraged workers- Assaad (1999) estimated the ratio of discouraged unemployment and involuntary part-time employment (which he called visible underemployment) in 1988 and 1998 (using the LFSS 88 and ELMS 98) and found that discouraged unemployment increased over the 10-year period, from 0.5% to 0.8%, while the visible underemployment fell to half its level, from 4.0% to 2.0%. In total, the underemployment ratio (which, according to his definition, consists of open unemployment, discouraged unemployment and involuntary part-time employment) was estimated as 7.6% in 1988 and 7.5% in 1998, indicating that it was almost stable over the 10-year period (Assaad, 1999; Table 7). The underemployment ratio as defined and estimated by Assaad, may be taken as an indicator to employment inadequacy in Egypt. But the estimated ratio should be taken with cautious because of two reasons: First, the significant fall in the visible underemployment ratio in 1998 as compared to 1988 implies that there were more work opportunities available in 1998 as compared to 1988. This result is hard to accept because of the reasons mentioned above regarding the negative impacts of the Gulf War and

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<sup>5</sup> 8000 workers were laid off in the year 2000, 78% of the factories in the city of 10<sup>th</sup> of Ramadan operate with one third capacity (one shift instead of three shifts), and the number of bankruptcy of small enterprises increased to 150 thousand per year (Akhbar-Al-Yom (weekly newspaper), 2001, May 12).

<sup>6</sup> See, for example, Radwan (1997), and Fergany, N. "Dynamics of Employment Creation and Destruction, Egypt, 1990-1995", Almishkat Research Notes, No. 11, January 1998 as cited in: Government of Egypt and Social Fund for Development (2000); 24-25.

<sup>7</sup> World Bank, Egypt Social Fund for Development, Multi-Donor Review January 23 - February 10, 2000, "World Bank Briefing Note for Review Team, 2000", as cited in: Government of Egypt and Social Fund for Development, 2000; 24.

ERSAP on unemployment in the nineties. Second, the invisible underemployment (i.e., the disguised unemployment) was excluded from his estimate because of data deficiency. The latter variable, if included, is expected to shift a good number of the invisible underemployment to open unemployment in 1998 as compared to 1988. This is because disguised unemployment is usually concentrated in Egypt in the public sector, and with the privatization of public enterprises by ERSAP and the wide application of the early-retirement scheme<sup>8</sup>, a good number of the disguisedly unemployed is expected to be openly unemployed reducing, thus, invisible underemployment and raising open unemployment in 1998 as compared to 1988.

### **3. THE EMPLOYMENT PROFILE OF THE UNEDUCATED:**

About 3/4 of the low-income people and the poor in Egypt are uneducated, i.e. they are either illiterates or can just read and write (Korayem, 2002). Since there are no data available on the employment profile of this group, the unemployment profile of the uneducated as revealed from the latest Population Census 1996 (PC 96) will be used as a proxy.

Is uneducated labour in Egypt (as defined above) more vulnerable to job inadequacy as compared to the rest of the labour force<sup>9</sup>? To answer this question, the employment profile of the uneducated has been investigated. The hypothesis is that this group will be more vulnerable to employment inadequacy if they are mostly employed in the economic sectors with relatively low growth rates. According to the PC 96, uneducated employment amounts to 8.5 million, out of a total employment of 15.6 million on the national level, representing 54.5% of the total<sup>10</sup>. Female employment represents 4.7% only of uneducated employment as compared to an average of 13.4% on the national level<sup>11</sup>. Table 1 shows that almost half of the uneducated labour (48.8%) are employed in the agricultural sector. The three other important sectors in terms of their employment are manufacturing

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<sup>8</sup> Quite a few of them re-enter the labour market looking for a job, especially after spending the financial compensation they receive from the early retirement scheme.

<sup>9</sup> The labour force who are either illiterates or can just read and write will be referred to as the uneducated labour, and the rest of the labour force –i.e. those who have less than intermediate level of education or higher- as educated labour.

<sup>10</sup> Calculated from Table A. 1 in the Appendix.

<sup>11</sup> Calculated from Table A. 1 in the Appendix.

(12.6%), construction (10.1%), and trade (10%). The important employment sectors with respect to the uneducated females are the same, with the exception of construction; 49.4% of the uneducated females are employed in agriculture, 15.5% in manufacturing and 13.7% in trade.

Thus, the largest employer of uneducated labour is the agricultural sector; next in order, but still after a large gap, comes the manufacturing sector. Looking at the average annual rate of growth of production in both sectors over the period 1991/92-1997/98, one finds that it was 3.5% for the agricultural sector and 6.9% for manufacturing, as compared to 5.4% for all of the commodity sectors which comprise agriculture, manufacturing, oil construction and electricity<sup>12</sup>. This indicates that agriculture in Egypt is experiencing a slower pace of growth as compared to the commodity sectors, which implies a relatively lower capacity for jobs creation. This is confirmed by examining the employment growth in the agricultural sector over the period 1988 - 1998. The average annual employment growth rate in agriculture over the mentioned period was 1.6%, with a negative average annual rate of growth for the male employment (-1.9%) and a rate of growth of 4.1% for female employment, while in manufacturing, the average annual employment growth rate over the period was 4.9%; the highest average annual employment growth rate was in the sectors of finance, insurance and real estate (9.1%) and electricity, water, and gas (6.9%) (Assaad, 1999; Tables 9 & 10). The absorption of uneducated labour in the last two sectors is rather modest (0.6% of the uneducated are employed in the finance and real estate sector and 0.3% in the electricity, water and gas sector)<sup>13</sup>.

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<sup>12</sup> Those production growth rates refer to the average of two figures: the average annual growth rate over the period 1991/92 – 1995/96 (with 1991/92 prices) and the growth rate in the year 1997/98 (with 1996/97 prices); those were 3.2% and 3.7% for the agricultural sector, 6.0% and 7.8% for the manufacturing sector, and 4.2% and 6.5% for all the commodity sectors (calculated from the National Bank of Egypt (2000), Table 2/3).

<sup>13</sup> Calculated from CAPMAS (1998), Table 21.

**Table n<sup>o</sup> 1: The Employed (Age 15 and above) by Economic Activity and Education Level in Egypt in 1996 (%).**

Education Level	Agricult.	Manuf.	Construction	Trade	Rest & Hotl	Transport Stor. & Commun.
Illiterates and read & write (Female)	48.8 (49.4)	12.6 (15.5)	10.1 (0.9)	10.0 (13.7)	1.3 (1.0)	6.0 (0.5)
Less than Intermediate (Female)	24.6 (11.3)	19.4 (34.8)	11.7 (1.2)	13.0 (13.1)	1.8 (1.0)	11.9 (6.6)
Intermediate & less than university (Female)	10.6 (3.0)	18.3 (9.9)	5.2 (0.9)	7.9 (4.1)	1.4 (0.3)	5.4 (2.5)
University & Higher (Female)	2.4 (0.8)	7.6 (3.6)	3.8 (1.2)	6.0 (2.5)	0.9 (0.4)	3.0 (2.2)

**Table n<sup>o</sup> 1: (continued)**

Education Level	Public Administration & Defense	Education	Health & social services	Public & personal services	Other Activities(1)	Total
Illiterates and read & write (Female)	4.7 (2.9)	1.4 (5.0)	0.8 (5.4)	2.4 (3.9)	1.9 (1.9)	100.0 (100.0)
Less than Intermediate (Female)	7.4 (8.6)	2.3 (8.5)	1.4 (7.8)	2.4 (2.7)	4.1 (4.4)	100.0 (100.0)
Intermediate & less than university (Female)	16.7 (20.5)	16.8 (29.4)	4.4 (10.7)	1.5 (1.1)	11.9 (17.5)	100.0 (100.0)
University & Higher (Female)	18.5 (17.7)	33.7 (51.4)	5.6 (7.2)	2.9 (2.6)	15.8 (10.2)	100.0 (100.0)

(1) It includes mining; electricity, water & gas; finance & real estate; and unspecified activities

Source: Calculated from Table A.1 in the Appendix.

Given the above-mentioned sectoral employment profile of uneducated labour in Egypt, it should be expected that they will be more vulnerable to employment inadequacy since they are mainly employed in the agricultural sector which was experiencing the lowest production and employment rates of growth as compared to other sectors. This is supposed to be reflected in high unemployment rate for uneducated as compared to educated labour. But, examining the unemployment figures in Egypt, the outcome is completely different. The unemployment rate of the illiterates and those who can read & write is 1.1% as compared to 9.0% on the national level; the highest unemployment rate (22.3%) is among the intermediate and less than university level of education (Table 2). The uneducated unemployed represent 0.1 million of a total number of unemployed labour of 1.5

million, representing thus 6.4% only of the unemployed at the national level (Table 2; and Table A.2 in the Appendix). This contradiction between the implied inadequacy of job creation for the uneducated and their low rate of unemployment will be resolved when we examine the distribution of the uneducated labour between formal and informal employment; the casual odd jobs in the informal sector are the best alternative to unemployment for the uneducated labour. The poor cannot afford to be unemployed; work is a must for them to survive. In short, open unemployment is a luxury that the poor cannot afford.

To examine the distribution of the uneducated labour, vis-à-vis educated labour, between formal and informal employment, we shall depend on the data of the Labour Force Sample Survey 1988 (LFSS88) and Egypt Labour Market Survey 1998 (ELMS 98) as included in El-Mahdi (1999)<sup>14</sup>. According to these two data sources, the employment profile of the uneducated labour is strongly biased towards informal employment. 64% of the uneducated labour in 1988 and 73% of them in 1998 were engaged in informal employment as compared to 25% and 33% of educated labour in the two years respectively<sup>15</sup> (Table 3). The informal sector with its odd jobs and casual work presents to the uneducated labour the alternative to unemployment. This is reflected in their distribution among the employment status

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<sup>14</sup> It should be noted, though, that the samples used in the LFSS88 and the ELMS98 are not good representative of the labour force population in Egypt with respect to the share of the uneducated labour in the labour force, as revealed by the two recent rounds of the Population Census 86 & 96. The uneducated employed labour represent more than two thirds of the employed labour force (69.2%) in the PC86 (calculated from CAPMAS, 1986; Table 17) and more than one half (54.5%) in the PC96 (calculated from Table A.2 in the appendix), while their share in total employment in the LFSS88 is less than half (44.1%) and in the ELMS 98 is lower than one third (29.8%) (calculated from Table 3 in the text). The discrepancy in the estimates between the two sample surveys and the population census is actually larger than it appears to be, since both samples –the LFSS88 and the ELMS98– account for the labour force of age 6 and above, while the PC86 and PC96 account for the labour force of age 10 and above and 15 and above respectively. Including the age brackets 6-9 (in LFSS88) and 6-14 (in ELMS98) is supposed to overestimate the share of the uneducated labour in total employment as compared to the population census, since a good number of the labour force falling in the age group 6- 14 are too young to receive any education degree and, hence, should be a factor for increasing the share of the uneducated labour in the labour force as compared to their share in the PC86 and PC 96.

<sup>15</sup> Differentiation between formal and informal employment is based on having, and not having, work contract.



(wage earners, self-employed, employer) as compared to the educated labour (Table 4); 54% of the uneducated labour are wage earners as compared to about 91% of the educated (those who have intermediate level of education and above), while 41% of the uneducated are self-employed and employer as compared to about 8%-9% in the second group. The uneducated female labour have almost the same employment distribution; 54% of them are wage workers and 31% are self-employed and employer. This employment profile of the uneducated by employment status can be explained by the type of jobs in which the poor are engaged in the informal sector.

**Table n<sup>2</sup>: The Unemployed (Age 15 & above) & the Unemployment Rate by Education Level in 1996 (%).**

Education Level	The Unemployed			Unemployment Rate
	Previously Employed	New Entrants	Total	
Illiterates and read & write	56.0	3.8	6.4	11
Less than Intermediate	12.6	2.1	2.6	42
Intermediate & Less than Univ.	26.0	81.4	78.7	22.3
Univ. & Higher	5.5	12.5	12.2	8.7
Total	100.00	100.0	100.0	9.0

Source: Calculated from Table A.2 in the Appendix.

The jobs classified as "self-employed" and also (to a lesser extent) "employer" cover a wide range of odd jobs prevailing in the informal sector, such as petty traders, street peddlers, shoe polishers, small retailers, selling newspapers and soft drinks, etc.

**Table n<sup>3</sup>: Formal & Informal Employment in Egypt (Age 6 & above), 1988, 1998.**

	Formal Employment			
	1988		1998	
	Thousand	%	Thousand	%
Uneducated Workers	1176	36.3	912	27.3
Educated Workers	3093	75.2	5315	67.5
Total	4269	58.0	6227	55.5

**Table n<sup>3</sup> : ( )**

	Informal Employment				Total			
	1988		1998		1988		1998	
	Thousand	%	Thousand	%	Thousand	%	Thousand	%
Uneducated Workers (1)	2066	63.7	2423	72.7	3242	100	3335	100
Educated Workers (2)	1020	24.8	2560	32.5	4113	100	7875	100
Total	3086	42.0	4983	44.5	7355	100	11210	100

(1) Consists of those who are illiterates or can read & write

(2) Consists of the rest of the labour force; i.e those who have less than intermediate education level or higher.

Source: Taken and calculated from the Labour Force Sample Survey 1988 (LFSS 88) and the Egypt Labour Market Survey 1998 (ELMS 98) as included in : EL-Mahdi, 1999; Tables 2a, 2b, 3a & 3b.

**Table n 4: The Employed Labour Force (Age 15 & above) by Employment Status & Education Level in Egypt in 1996 (%)**

Education Level	Employer	Self Employed	Wage Workers	Non-Wage Workers(1)	Total
Illiterates and read & write (Female)	9.9 (7.2)	31.3 (23.7)	53.9 (53.9)	4.9 (15.1)	100.0 (100.0)
Less than Intermediate (Female)	5.2 (2.4)	18.1 (6.3)	73.1 (88.1)	3.6 (3.1)	100.0 (100.0)
Intermediate & Less than Univ. (Female)	2.7 (0.3)	6.7 (0.6)	90.6 (99.1)	--	100.0 (100.0)
Univ. & Higher (Female)	4.3 (1.0)	3.9 (0.9)	91.6 (98.1)	--	100.0 (100.0)

(1) Those are who work in the family without receiving financial compensation for their work.

Source: Calculated from Table A.2 in the Appendix.

#### **4 - PRO-POOR POLICIES FOR EMPLOYMENT CREATION:**

Those policies are represented in four projects that target employment creation for the poor among other objectives that aim to raise their standard of living, like providing them with basic social infrastructure (piped water, sewerage connections, electricity) and basic social services (education and health). Those projects are: the Productive Families Project (PFP), the Nasser Social Bank, the Shorouk program, and the Social Fund for Development (SFD). The assessment of those policies will be made with respect to two aspects, subject to data availability: the income that the project generates to its beneficiary as compared to the average income of the low-income group of people<sup>1617</sup>, and the extent of its coverage to this group.

<sup>16</sup> The estimation of the low-income households group is based on the concept that income is equally distributed among the population if a given percentage of the population receives an equal percentage of national income (e.g., 10% of the population receive 10% of national income) and, hence, income is unequally distributed if a given percentage of the population receive a smaller, or greater, percentage share of national income. The former group is the low-income households, while the latter group is the upper-income households; the rest is the group of middle-income households. Based on this concept, the low-income households group is estimated by applying the Income Inequality Index (III). For the derivation of the III, methodologically, and its application in estimating the low-income households group, see Korayem (2000).

#### 4.1- The Productive Families Project (PFP).

It has been established by the Ministry of Insurance and Social Affairs (MISA) in 1964, as one of the important projects that work in the area of social development. Its objective is to mobilize the potential of the Egyptian family members with low income – preferably less than LE 100 a month- by engaging them in home industries (making clothes, carpets, hand crafts, etc.) to enable them to earn decent income. The beneficiaries undergo vocational training at the PFP training centres before starting their projects. Besides providing loans to the beneficiaries, PFP provides them also with in kind services (such as marketing), equipments and raw materials to help them in establishing their projects. PFP has branches in all governorates and is run by the Productive Families Society under the MISA (INP, 1996; MISA, 1997; Kheir El-Din, 1998).

The number of the beneficiaries from the starting date of the project until end of 1998 - i.e. over 35 years- was 397048 families; out of this number, 193962 families pulled out of the project and continued their activities independently, 1773 families stopped their activities permanently, and 201313 families are still continuing their activities under the PFP (MISA, 1998/99; Table 112). Comparing the average annual number of beneficiaries over the 35 year period, which is 11344 households<sup>17</sup>, with the number of the low-income households in 1996<sup>18</sup>, which is 5716170 households<sup>19</sup>, and assuming that there is one beneficiary per household, one finds that it represents only 0.2% of the low-income households. The gross revenue of the PFP in 1998 was LE 25512662<sup>20</sup> with total cost (of LE 20271745), representing 79% of the revenue (MISA, 1998/99; Tables 113 & 114). Accordingly, the average annual gross return of the

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<sup>17</sup> which is equal to 397048 / 35.

<sup>18</sup> Where the latest Population Census is available (PC96).

<sup>19</sup> The low-expenditure (low-income) households are estimated as equal to 45% of the total number of households in 1996. 45% is the average of the low-expenditure households in the urban sector (50%) and in the rural sector (40%), see Korayem (forthcoming, Table 3). The total number of households in 1996 equals to 12702600 (CAPMAS, 1998; vol. 1, Table 1).

<sup>20</sup> The revenue of the product sold is LE 114505, representing 0.4% of total gross revenue. Other items included under “revenue” are: subsidies and loans from MISA and from foreign and local organizations (LE 2067096), repaid loans from the families involved in the PFP and from the SFD (LE 15555129) (MISA 1998/99; Table 113).

family in the PFP amounts to LE 127 in 1998<sup>21</sup>, which represents 3.4% of the average annual household's income in the low-income group in 1995/96<sup>22</sup>. This very small coverage of the low-income households, and the extremely low average annual gross revenue generated per family indicate the ineffectiveness of the PFP in raising the standard of living of the low-income people in the society and, hence, in eradicating poverty.

#### 4.2 - Nasser Social Bank (NSB).

It has been established in 1971 and is supervised by MISA. It is primarily financed by the Zakat<sup>23</sup> of public enterprises. Additional resources are provided by the Zakat and donations from local communities. Its major task is to finance public social infrastructure projects (such as hospitals, ambulances, education centers). It provides grants in cash and in kind to the disabled poor and the needy through a network of Zakat is an Islamic Tax. There are two types of Zakat. Zakat-Al-Fitr, which is due at the end of the fasting month, Ramadan, and Zakat-Al-Mal which is due on the assets accumulated for a year by the well - off Muslims, who have to pay it annually to the poor and the needy in the society. Its amount is determined in proportion to the size of the wealth of the eligible Muslims.

Zakat committees. It also provides interest-free loans to the poor to help them meeting their financial obligations in special occasions (like marriage) and in emergencies (like sickness or death). Besides, it provides small loans ranging between LE 1000 to LE 10000 at subsidized interest rates (3%- 6%) to finance small projects (Kheir El-Din, 1998: Loewe, 2000). The NSB undertakes, also, banking and investment activities (investment reached LE one billion), and

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<sup>21</sup> The average gross revenue per family = gross revenue ( LE 25512662) / no. of the beneficiaries of the PFP (201313 families) = LE 126.7.

<sup>22</sup> The average annual household's income in the low-income group in 1995/96 is LE 3779 ((calculated from the Households Expenditure Survey 1995/96 (CAPMAS, 1997; vol.2, part 1, Table 2-1, and vol.3, part 1, Table 2-1) as the share of the low-expenditure group in total household expenditure, which is 27.8% in the urban sector and 22.4% in the rural sector, as shown in Korayem (forthcoming, Table 3)).

<sup>23</sup> Zakat is an Islamic Tax. There are two types of Zakat. Zakat-Al-Fitr, which is due at the end of the fasting month, Ramadan, and Zakat-Al-Mal which is due on the assets accumulated for a year by the well - off Muslims, who have to pay it annually to the poor and the needy in the society. Its amount is determined in proportion to the size of the wealth of the eligible Muslims.

support the establishment of new small projects by giving loans with interest rates below the prevailing market rates with the condition that the project yields social returns (INP, 1996). In 1999/2000, the recipients of the subsidized social activities loans, the social assistance and the *Zakat* provided by the NSB were 84075<sup>24</sup>, 2400 and 780000 individuals respectively (Ministry of Insurance, 1999/2000; 227-229, 237, 239). Assuming that each recipient belongs to one household, the beneficiaries of the NSB loans for social activities adds up to 866475 households in 1999/2000, representing 6% of the low-income households in Egypt in the year 2000<sup>2526</sup>.

### 4.3 - Shorouk<sup>26</sup>.

The National Program for Integrated Rural Development (named Shorouk) was launched in 1994 by the Organization for the Reconstruction and Development of the Egyptian Village (ORDEV). It is affiliated to the Ministry of Local Affairs. Its long-run objective is to close the development gap between rural and urban areas in Egypt. It is designed to cover a 24-year period, up to 2017, in four phases: launching phase, 1994-2002; take off phase, 2002-2007; flashing phase, 2007-2012; and sustainability phase, 2012-2017 (INP, 1996).

Shorouk program has four major objectives: First, developing the local environment through efficient utilization of local resources. This involves the expansion and upgrading of infrastructure services such

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<sup>24</sup> Those consist of 13200 recipients of youth employment loans, 5300 recipients of loans to buy means of transportation and agricultural equipments to raise their incomes, and 65575 recipients of loans for social assistance to meet expenses of special occasions (marriage, sickness, beginning of schools) (Ministry of Insurance, 1999/2000; 228).

<sup>25</sup> The low-expenditure (low-income) households are estimated as equal to 45% of the total number of households in 2000. 45% is the average of the low-expenditure households in the urban sector (50%) and in the rural sector (40%) (Korayem, forthcoming; Table 3). The total number of households in 2000 is estimated by applying the average annual growth rate of the number of households in between the two Population Census 1986 and 1996 (which is 3.1%) to the total number of households in the Population Census 1996. Having the total number of households in 1996 equals to 12702600 (CAPMAS, 1998; vol. 1 Table 1), and applying the average annual rate of growth over the 4-year period (1996-2000), which amounts to 12.4%, the total number of households in 2000 is estimated as equal to 14277722.

<sup>26</sup> Unless otherwise stated, the source is Egypt Human Development Report 1996 (INP, 1996).

as potable water, sewerage, energy and communications. Second, enhancing local economic development involves increasing productive local employment opportunities, raising rural income and diversifying its sources. This will be achieved through diversification of economic activities, such as rural industrialization and increasing and diversifying agricultural production in terms of livestock and crops. Third, opting for local human development, this involves enhancing the efficiency of local public services, such as education, training and other services in health, culture, information and recreation. Attention is also given to the increased and effective participation of rural women. Also, reliance on youth and marginal social groups in development activities are enhanced. Fourth, opting for local institutional development, involves enhancing the performance of governmental and nongovernmental local institutions such as raising the efficiency of NGOs characterized by democratic and self-reliant nature.

Shorouk's investment is planned to be allocated such as one third of it will be directed to infrastructure projects, one third to human resources and institutional development projects, while the rest will be devoted to economic activities projects. The projects are mainly community based. The people of each targeted local community decide, quantitatively and qualitatively as far as possible, their sets of desired local development projects and participate in planning for their implementation.

The total amount of investment required for the program until 2017 is estimated to be LE 267 billion. It is planned that 32.9% of the program will be financed by the Government, 42.0% by people's contribution, and 25.1% by loans. However, in the first phase of the program, it has been projected that local financial contribution to Shorouk's projects will be about 27% of total investment because of low incomes in the rural sector. Foreign contribution to the program is quite limited, judging by foreign participation during 1994/95 – 1999/2000; the funds allocated to the program by foreign donors amounted in total to LE 34.75 million in addition to a proposed World Bank project costing US \$ 50 over 4-year period (INP, 1996; 90).

Total investment allocated to Shorouk's projects during 1995/96-1999/2000 amounted to LE 820.2 million; 79.0% of these funds (LE 648.1 million) was directed towards infrastructure projects and 21.0% (LE 172.1 million) towards human development projects (Moharram, 2001; 29). Assessing the human development projects

with respect to the two aspects mentioned above –income generation and the extent of coverage of the low-income households- is not feasible because of the non availability of data. However, one cannot disregard Shorouk as one of the employment generation projects launched in Egypt because of the role it plays, explicitly and implicitly, in creating employment as one of its means for poverty eradication. Even the part of Shorouk investment directed towards infrastructure projects for the poor, which represents the lion's share of its investment, implies employment generation.

#### **4.4 - Social Fund for Development (SFD).**

The SFD was established in 1991 as one of the components of ERSAP to minimize the expected negative social impacts on the population. It started its activities in 1992. Phase one of the SFD extended to 1996, and phase two covers a six-year period , 1997-2002 (The Development Assistance Group, 2000).

Creating employment opportunities is the main target of the SFD programs. The five programs applied in phase two are<sup>27</sup>: the community development programme (CDP), the public work programme (PWP), the human resource development programme (HDRP), the small enterprise development organization (SEDO), and the institutional development programme (IDP) (The Development Assistance Group, 2000; 31). Those programmes have among their target groups unemployed labour, referred to as: the unemployed, unemployed youth, new graduates, Gulf crisis returnees, and workers who have been displaced due to public enterprise reform. Creating new jobs is the primary means which the SFD uses to minimize the hardship of ERSAP implementation on the poor. Creating employment opportunities is the best way to combat poverty because it provides sustainable means of income generation to the poor, while protecting their dignity. The aspect of job creation is also emphasized in the criteria which the SFD applies in choosing projects within the core programmes (Korayem, forthcoming).

Although the five SFD programmes are addressed to affect employment creation and poverty alleviation in Egypt, three programmes, out of the five, have more direct effects on

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<sup>27</sup> In phase one, six programmes were in effect. The sixth programme, besides the five programmes applied in phase two, was the transport programme which was cancelled in 1995.

employment generation<sup>28</sup>. Those are the community development programme (CDP), the public work programme (PWP), and the small enterprise development organization (SEDO).

The three main components in the CDP are health, micro-credit, and education; they take 84% of the CDP budget in phase two (35% for health, 25% for micro-credit, and 24% for education). Almost all funds for micro-credits are channelled through the non-governmental organizations (NGOs). In phase two, the CDP micro-credit subprogram has committed about LE 19 million in loans with an average loan size of LE 1200, and has reached almost 15000 beneficiaries over a three-year period. This means that SFD micro-credit has reached on average 5000 beneficiaries a year, which implies less than 200 loans per governorate. This indicates the limited outreach of SFD's micro-credit program (The Development Assistance Group, 2000; 52). The coverage of the success/failure and sustainability of the micro-credit projects is very limited; it just depends on some selected cases. The non-availability of performance data and information on the micro-credit projects, as well as on other SFD projects, makes providing objective assessment indicators a difficult task. Thus, the first step that has to be done in this respect is to collect data and information from a randomly chosen sample of the SFD beneficiaries; then appropriate performance criteria have to be developed and applied. The Egyptian newspapers have reported several failure cases of the SFD credit-receivers who could not repay their debt and the projects were terminated. However, because of the non-availability of data and proper documentation of all the cases, nobody can tell the percentage of these failure cases in the total amount of credits supplied by the SFD. In short, no objective assessment can be made on the SFD activity in this area.

The main objective of the PWP is "...to supply basic community infrastructure services to impoverished rural communities and urban poverty projects, raising service levels and helping in generating both permanent and temporary employment" (The Development Assistance Group, 2000; 64). In the project performance, the PWP supports the concept of labour-intensive technique; it discourages the use of machinery and construction equipment unless it is needed for quality

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<sup>28</sup> An objective assessment of the success of these programmes in achieving their targets cannot be done, though, because of data deficiency. For more details on the assessment of the SFD programmes, see Korayem (forthcoming).



purpose<sup>29</sup>. As a rule of thumb, at least 25% of a project's value should go to the labour component, and 50% of it should go to the locally recruited labour.

Although the SEDO<sup>30</sup> is addressed mainly to the small scale business men through financing the expansion of existing small enterprises or creating new ones, it will have some impacts on the poor by creating new employment opportunities. Creating new jobs is emphasized in the programme by making labour-intensive techniques one of the selective criteria of the projects which will be financed by this programme.

## **5 - HOW DO THE POOR COPE WITH EMPLOYMENT INADEQUACY IN EGYPT?**

Open unemployment is a luxury that the poor cannot afford. One may point out two means applied by the poor to cope with employment and, hence, income inadequacy in Egypt: working in the informal sector (i.e. getting engaged in informal employment) as an alternative to open unemployment; and the adaptation mechanisms for survival applied by the poor on the family and community levels.

### **5.1 - Informal Sector: the Alternative to Unemployment.**

The informal sector provides the alternative to unemployment to all education levels of the labour force<sup>31</sup>. But as a means of escaping unemployment, it is considered more essential for the poor who are uneducated and less qualified and cannot afford to live without any source of income.

Differentiation between formal and informal employment is based on having, and not having, work contract. The rise in employment

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<sup>29</sup> Projects financed by PWP include irrigation canal/drains covering or lining and pitching, pond filling, potable water systems (wells, pumping stations, water tanks and water networks), public building refurbishment, road improvement, and wastewater collection and transmission systems.

<sup>30</sup> This was called the enterprise development program (EDP) before extending its activity to include the small enterprise development organization (SEDO). Adding SEDO's mandate to SFD came through Presidential Decree No. 434 of 1999; the mandate specifies that SFD "develop the small enterprise sector by formulating and implementing the policies concerning this sector" (The Development Assistance Group, 2000; 30).

<sup>31</sup> The role that the informal sector plays as an alternative to unemployment is quite common in other countries as well; e.g., see the case of Spain in Ahn, N. & S. De La Rica (1997).

inadequacy in Egypt over the last ten years, 1988 - 1998, has been reflected in the increase in informal employment, which grew by a rate of 61.5% over the 10-year period as compared to 46% for formal employment<sup>32</sup>. Informal employment is characterized by less job stability, longer working hours per week, and lack of social security benefits (like pension) and other fringe benefits (e.g. sickness leave). But, on the other hand, field surveys showed that wage levels are higher in the informal employment as compared to employment in the government and public enterprises for the same job categories (Hafez, 1996; & El-Mahdi, 1999). It has been also revealed from a CAPMAS survey that about 75% of workers in the informal sector have earnings above minimum wage level (Rizk, 1991; 174). However, this relatively high financial compensation for informal employment does not usually apply to the poor who are uneducated and, hence, work in casual low-paid jobs (like petty traders, shoe polishers, etc.). In 1998, the ELMS 98 survey revealed that 48% of the informal workers fall in the wage category of less than LE 3.00 per day<sup>33</sup> (El- Mahdi, 1999; Table 10). This ratio is almost equal to the share of the uneducated labour in total informal employment as derived from the survey data (48.6%)<sup>34</sup>. The role that the informal sector plays as an escaping means for unemployment of the poor in Egypt can be derived from the followings:

1. Despite the rising trend in employment inadequacy in Egypt, the uneducated labour -who represent the poor strata in the society- experience considerably low unemployment rate as compared to the national rate, despite that they represent 1/2 of the labour force in the country (50.2%)<sup>35</sup>. The unemployment rate among the uneducated in 1998 was 1.1% only as compared to 9% on the national level. With their relatively smaller share in formal employment as shown above, this implies that the employment solution has been in the informal sector.

2. About 3/4 of the uneducated (73% of them) are engaged in informal employment in 1998 as compared to 1/3 (33%) of the educated labour (Table 3). Since about 3/4 of the low-income people and the poor in Egypt are uneducated as mentioned above, this indicates that

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<sup>32</sup> Calculated from Table 3 in the text.

<sup>33</sup> This is less than one half US dollar a day according to the current official exchange rate, which is one US dollar = LE 6.19.

<sup>34</sup> Calculated from Table 3 in the text.

<sup>35</sup> Calculated from Table A.2 in the Appendix.

poverty is highly correlated with informal employment.

3. As derived from Table 3, the increase of employment inadequacy in Egypt over the period 1988-98 was accompanied by a decline in formal employment for the uneducated by a little less than one quarter (22.4%)<sup>36</sup>, and by a rise in their informal employment by 17.3%<sup>37</sup>. The decline in the employment of the uneducated in the formal sector during 1988-98 would have been accompanied by a rise in their unemployment rate in 1998 if the informal employment of the uneducated had not increased by a sufficient amount to compensate for the fall in their formal employment and to absorb the increase in the supply of the uneducated in the labour market over that period.

4. Although informal employment of the educated has more than doubled over the 10-year period, this comprises only 41% of their increased number over the period; out of the 3762 thousand increase in the educated labour during the period, 1540 thousand of them have been informally employed (calculated from Table 3). As for the uneducated labour, their number employed in the informal sector over the 10- year period has been more than tripled; they have increased from 93 thousands to 357 thousands (Table 3). This indicates that although the informal sector is an alternative to unemployment for both educated and uneducated labour as mentioned above, its role in providing employment for the new-comers in the labour market and for the job-seekers in general is more essential and important for the latter group.

## **5.2 - Survival and Adaptation Mechanisms: Family and Community Support.**

Most of uneducated labour lives in poverty because of the low income they earn in the labour market. When job inadequacy prevails in the economy, the situation becomes even worse. Income of a growing number of households of both educated and uneducated labour is likely to fall because of unemployment or underemployment of their breadwinner(s). How do the poor cope with this situation in the labour market? One may point out six mechanisms of adaptation. They comprise both the adaptation mechanisms to the state of poverty per

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<sup>36</sup> The uneducated workers in formal employment were 912 thousands in 1998 as compared to 1176 thousands in 1988 (Table 3).

<sup>37</sup> The uneducated workers in informal employment were 2423 thousands in 1998 as compared to 2066 thousands in 1988 (Table 3).

se<sup>38</sup> (which is attributed mainly to the low earning capacity of the uneducated labour) and the dynamics of adaptation to the fall in income when job inadequacy prevails. Those mechanisms of adaptation are<sup>39</sup>:

### ***1. Clustering of the Poor in Certain Residential Districts:***

Clustering of the poor in certain districts helps them to survive financial hardship (like events that call for additional expenses), whether caused by mishaps (like death) or by happy events (like marriage) or even in the case of unexpected social events (like having an unexpected guest at meal time). Those additional expenses will be shared by neighbours and relatives. Although living in the same district is not a necessary condition for solidarity (since relatives help each other even if they are living in different cities), it is still an important factor since sharing is called for when the need for help is felt. This "need for help" can be more easily seen and felt when people are living together in the same district. Living together in certain localities facilitates solidarity among the poor.

But, on the other hand, the clustering of the poor in the same area has its negative aspects as well. Among those, is the fact that those poor districts suffer from bad sanitary conditions, shortage in basic utilities (like water, electricity), poor housing condition, bad means of transportation, etc., which aggravate the hardship of poverty and, hence, increase the difficulty of adaptation.

### ***2. Raising Household Revenue through Earned Income and Other Means:***

Labour is the only source of income for the majority of the poor. Even for the minority of the poor who are asset owners (e.g. the owners of small agricultural land, and the owners of old low-rent buildings in the city), the return on their ownership is too little to live on, and they depend on labour as their main source of income, with few exceptions though<sup>40</sup>. Although job inadequacy does not necessarily imply unemployment for the majority of the poor as shown above, it does

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<sup>38</sup> Those adaptation mechanisms are derived from case studies on the living style of the poor in different districts in Egypt (Shoukry, 1994).

<sup>39</sup> See Korayem (1996).

<sup>40</sup> The exceptions are those people who are not qualified for work (e.g. old and disabled people, or nonworking women) and have to live on the small return of their ownership.

imply, however, that a larger number of them will be underemployed and work in marginal jobs. To overcome the very low and intermittent income received from those jobs, which is usually insufficient to support a family, the poor adapt to this situation by several means. On one hand, they try to raise their earned income through longer working hours, multiple jobs, and having more than one income earners in the family. On the other hand, they try to get additional intermittent revenue by different ways other than work, like selling personal belongings (e.g. furniture, kitchen appliances), or joining a gameiya<sup>41</sup> to overcome the deficiency in income.

***3. Minimizing Household Expenditure. Minimizing household expenditure to the utmost is the third mechanism for adapting to poverty:***

The case studies reveal common behaviour and practices that are widely spread among the poor, which reduce expenditure as much as possible. One should look at such behaviour as a means to adapt to poverty. Reduction of expenditure takes different forms, like sharing living with other households, buying low-priced low-quality items, reducing the number of meals (to one or two) per day, sharing clothes, decreasing expenditure on health (e.g. by postponing going to the physician until the case becomes serious, and/or decreasing the dosage of medicine below what is prescribed) and reducing expenditure on education (by borrowing the books, buying the used ones, dropping out of school to join the labour force).

***4. Solidarity. There are different forms of solidarity that exist among the poor:***

Solidarity is considered among the household members, among the relatives, among the community, and among the society as a whole. Solidarity among the household members takes several forms, like sharing the burden of supporting the family through the collective income earned by its members, or the old brother(s) may forego education and work to help in financing the education of his (their) younger brother(s) and sister(s). Solidarity among the relatives takes the form of financial assistance in cash or in kind; also a common practice is that city dwellers host the people coming from the

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<sup>41</sup> Gameiya is a local method for collective saving and interest-free credit. It consists of a group of people whose members pay monthly a certain amount of money, and the total monthly sum is given to members in a sequence related to the relative need of each.

village to seek medical treatment, or to look for a job, etc. At the community level, solidarity takes place among the inhabitants of the poor districts by different forms, like supporting each other financially and morally in bad and good events (e.g. sharing funeral expenses, contributing in cash or in kind to marriage expenses). Solidarity among the members of the society takes the form of the assistance (in cash or in kind) provided by the government (mostly through the Ministry of Social Affairs) and by the non-governmental organizations (NGOs). One of the most important examples of solidarity among members of society is Zakat.

##### ***5. Woman's Role in Managing the Household Life.***

Women, as wives and mothers, play a vital role in the poor households. It is the wife and/or mother who manage to make the small income meet the household needs. She is the one who takes responsibility in finding out ways to get sufficient income to feed her children if the head of the family spends his income on personal expenditure (like cigarettes, tea, coffee, drinks); she may work, or get one (or more) of her children to work, or borrow, or sell household or personal items to provide the basic needs expenses for her family. Also, the case studies showed that if the head of the family cannot find a job, or when his income is too low to meet the household needs, the wife is the one who encourages him to migrate to the city or to emigrate to another country to seek a job, and she bears all household responsibilities in his absence. In many cases she is also the one on whom to depend to secure finances for his trip: by selling any valuables she owns, or by borrowing, or by saving on household expenditure and joining a Gameiya to provide the travel expenses.

##### ***6. The Dynamics of Adaptation to a Fall in Income: When job inadequacy prevails in the economy, how do the poor in Egypt cope with a fall in their income?***

Substitution may take place between food and non-food items. It has been shown that substitution among food items at poverty line is possible to decrease cost without foregoing the safe level of calories and protein intake (Korayem; 1996). But substitution among non-food items is a more difficult task. This is because the poor spend supposedly the minimum possible on basic non-food items, such as housing, clothing, health, education, and transportation. In the high-income brackets, the case is different and substitution among

non-food items is easier when income falls; for example, they can substitute the low-priced public services in health, education and transportation, for the alternative high-priced private services. This kind of substitution is not possible for the poor, since they already take advantage of the subsidized and low-priced public services in these areas. To find out how substitution takes place among non-food items when income falls, the expenditure elasticity of seven main non-food items, representing 75% of non-food expenditure of the poor, has been estimated (Korayem, 1996). Those seven main non-food items are the five basic ones: housing and utilities, clothing, transportation, health, and education plus the two important items: cigarettes, tobacco, drinks, etc.<sup>42,43</sup>, and furniture and households appliances. The items with the highest expenditure elasticity are the ones to be sacrificed first, and those with the lowest elasticity value will be sacrificed last when income fall.

According to the expenditure elasticity, when income of the urban poor fall, the largest cut in spending is on education, and the smallest reduction in spending is on housing and utilities, followed by health. For the rural poor, when income falls, the larger cut in spending will be on furniture and households appliances and on education, while the least cut will be in expenditure on housing and utilities. Thus, education is the first item to be sacrificed by the urban poor, and the second item for the rural poor, when income falls (Korayem, 1996; Table 8). With the positive relationship between education and employment earnings<sup>43</sup>, this implies that the poor may be caught in a vicious circle: poverty leads to less education, which leads in turn to less income earned, and hence, to poverty. Thus, job inadequacy which is the primary factor responsible for the fall in income of the poor who depend on their labour to earn their living, may not lead to open unemployment for them, but it may increase the probability of bequeathing poverty to the next generation. Cutting the expenditure on education when income falls implies depriving some, or may be even all, of the children in the poor households from education and, hence, introducing them to the poor uneducated strata of the labour force in the following generation.

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<sup>42</sup> The expenditure on cigarettes, tobacco, drinks, etc. have been considered main non-food item for the poor, since case studies showed that the men in poor households may spend a considerable part of their income on personal expenses (Shoukry, 1994).

<sup>43</sup> This positive relationship is especially strong at the university and higher level of education (Zeitoun, 1994)

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## APPENDIX

Table A.1 : The Employed (Age 15 &amp; above) by Economic Activity Education Level &amp; Gender in Egypt 1996.

Economic Activity	Illiterates & read & write	Less than Intermediate	Intermediate & less than University	University & Higher	Total <sup>(1)</sup>
1. Agriculture:	4153294	228388	443379	47738	4872806
Male	(3957151)	(222500)	(409925)	(43442)	(4633025)
Female	(196143)	(5888)	(33454)	(4296)	(239781)
2. Manufacturing	1071821	179896	767482	149057	2168257
Male	(1010267)	(161747)	(657586)	(129755)	(1959355)
Female	(61554)	(18149)	(109896)	(19302)	(208902)
3. Construction	858643	108167	218912	74328	1260052
Male	(855106)	(107541)	(208982)	(67789)	(1239420)
Female	(3537)	(626)	(9930)	(6539)	(20632)
4. Trade	853064	120709	331357	117738	1422872
Male	(798753)	(113897)	(286546)	(104198)	(1303398)
Female	(54311)	(6812)	(44811)	(13540)	(119474)
5. Rest.& hotels	109710	17075	59408	18219	204412
Male	(105679)	(16528)	(55764)	(16024)	(193995)
Female	(4031)	(547)	(3644)	(2195)	(10417)
6. Transport. & commun.	513756	110297	226178	59080	909313
Male	(511582)	(106860)	(198705)	(47449)	(864598)
Female	(2174)	(3437)	(27473)	(11631)	(44715)
7. Public Adms. & defence	400465	68266	699761	363400	1531899
Male	(389049)	(63768)	(473337)	(269496)	(1195656)
Female	(11416)	(4498)	(226424)	(93904)	(336243)
8. Education	120133	20903	703343	662862	1508242
Male	(100380)	(16456)	(379856)	(389694)	(886386)
Female	(19753)	(4447)	(324487)	(273168)	(621856)
9. Health & social Services	65698	12605	184907	109344	372554
Male	(44079)	(8530)	(66625)	(71081)	(190315)
Female	(21619)	(4075)	(118282)	(38263)	(182239)
10 Public & personal services	202411	22667	64487	56425	345990
Male	(187111)	(21263)	(52052)	(42375)	(302801)
Female	(15300)	(1404)	(12435)	(14050)	(43189)
11. Other Activities <sup>(2)</sup>	165481	37682	502167	310252	1015584
Male	(158068)	(35370)	(308339)	(255957)	(757735)
Female	(7413)	(2312)	(193828)	(54295)	(257849)
12.Total	8514476	926655	4202381	1968443	15611981
Male	(8117225)	(874460)	(3097717)	(1437260)	(13526684)
Female	(397251)	(52195)	(1104664)	(531183)	(2085297)

(1) Including the unspecified

(2) It consists of mining, electricity, water & gas, finance & real estate, & unspecified activities

Source : Derived from: Central Agency for Public Mobilization & Statistics (CAPMAS), Population Census, 1996, Vol. 1, Table 21, Cairo, December 1998.

**Table A.2: The Distribution of Egyptians (Age 15 & above) by Employment Status, Education Level & Gender, 1996**

Employment Status	Illiterates & read & write	Less than Intermediate	Intermediate & less than University	University & Higher	Total <sup>(1)</sup>
<b>The Employed:</b>					
1. Employer	845419	48290	112974	88270	1094955
Male	(816896)	(470250)	(110116)	(83204)	(1057243)
Female	(28523)	(1265)	(2858)	(5066)	(37712)
2. Self- Employed	2666595	168185	282918	77958	3195665
Male	(2572326)	(164871)	(275906)	(73175)	(3086286)
Female	(94269)	(3314)	(7012)	(4783)	(109379)
3. Wage Workers	4588654	676965	3806489	1802215	10874337
Male	(4374338)	(630962)	(2711695)	(1280881)	(8997887)
Female	(214316)	(46003)	(1094794)	(521334)	(1876450)
4. Non-Wage Workers (2)	413808	33215	----	----	447024
Male	(353665)	(31602)	----	----	(385268)
Female	(60143)	(1613)	----	----	(61756)
5. Total	8514476	926665	4202381	1968443	15611981
Male	(8117225)	(874460)	(3097717)	(1437260)	(13526684)
Female	(397251)	(52195)	(1104664)	(531183)	(2085297)
<b>The Unemployed:</b>					
6. Previously Employed	42028	9448	19518	4122	75116
Male	(40894)	(9071)	(17308)	(3268)	(70541)
Female	(1134)	(377)	(2210)	(854)	(4575)
1. New Entrants	56907	31027	1188684	183336	1459955
Male	(48639)	(24614)	(730026)	(127204)	(930484)
Female	(8268)	(6413)	(458658)	(56132)	(529471)
8. Total	98935	40475	1208202	187458	1535071
Male	(89533)	(33685)	(747334)	(130472)	(1001025)
Female	(9402)	(6790)	(460868)	(56986)	(534046)
9. Labour Force	8613411	967130	5410583	2155901	17147052
Male	(8206758)	(908145)	(3845051)	(1567732)	(14527709)
Female	(406653)	(58985)	(1565532)	(588169)	(2619343)
10. Outside the Labour Force	12959708	3480216	2877244	375320	19692513
Male	(1362622)	(1700704)	(1027707)	(116511)	(4207554)
Female	(1159708)	(1779512)	(1849537)	(258809)	(15484959)
11. Unspecified	37434	15	65	8	37522
Male	(37393)	(6)	(38)	(6)	(37443)
Female	(41)	(9)	(27)	(2)	(79)
Total (9+10+11)	21610553	4447361	8287892	2531229	36877139
Male	(9606773)	(2608855)	(4872796)	(1684249)	(18772739)
Female	(1200378)	(1838506)	(3415096)	(846980)	(18104400)

(1) It exceeds the summation of the line because it includes the unspecified.

(1) Those are who work in the family without getting financial compensation for their work.

*Source : Derived from: CAPMAS, Population Census, 1996, vol. 1, Table 20, Cairo, December 1998.*