

YOUTH EMPLOYMENT AND THE PROMISE OF SMES

Cairo, Egypt, 27 June 2024

BACKGROUND

Youth are amongst the most disadvantaged groups in the Arab region, and yet one of the largest population groups. Across the region, youth are at risk of being excluded from meaningful socio-economic participation, particularly upon their graduation from school or university, and of becoming a lost generation.

Egypt is no different. Egyptian youth are increasingly giving up on finding meaningful employment, demonstrated by their mass exit of the labour force. By 2021, less than one quarter of Egyptian youth were either working or actively looking for work. For young Egyptian women, this figure falls to less than one tenth. The minority of Egyptian youth that have secured employment have largely found irregular work, without a contract, and without access to social security, which threatens to push them into working poverty with lifelong consequences.

The risks from rising youth inequality are severe: it limits potential economic growth and risks undermining social cohesion and stability.

Yet, Egyptian youth are increasingly looking to create their own employment opportunities. University-educated Egyptian youth in particular are increasingly providing employment to their peers through newly established SMEs.

Under the Josour project, which aims to expand employment opportunities to young people in Egypt, ESCWA has developed two policy briefs on '[Youth employment dynamics in Egypt: challenges and opportunities](#)' and '[A better future: SME potential to generate youth employment in Egypt](#)'. By understanding the dynamics of youth employment in Egypt and the employment opportunities that SMEs do and can provide to young people, we can support youth-led SMEs to expand their employment and growth potential, and to create youth employment opportunities.

OBJECTIVES

Building upon the policy briefs, ESCWA will hold an all-stakeholders dialogue on 'Youth employment and the promise of SMEs' in Cairo, Egypt. The dialogue will bring together policymakers, young people, the private sector, and civil society organisations to discuss the challenges facing youth employment in Egypt and practical policy solutions to enhance youth inclusion, including the role of SMEs.

The dialogue aims to achieve the following:

- Draw links between youth inequality and wider socio-economic inequalities, poverty, social cohesion, and security.
- Identify how to better include and engage young people in the Egyptian labour market.
- Identify how to empower SMEs to be drivers of meaningful, productive, and quality youth employment.
- Share innovative and practical policy solutions to reduce youth inequalities.
- Build momentum for the Josour initiative.

PROVISIONAL AGENDA

OPENING: WELCOME REMARKS

The welcome remarks will be delivered by a senior policymaker from the Egyptian Minister of Social Solidarity and a representative from ESCWA. A keynote speaker from Sawiris Foundation will also deliver opening remarks.

SESSION 1: ARE THE CHALLENGES FACING YOUTH NEW OR AS ANCIENT AS THE PYRAMIDS?

Young people have always competed for employment upon graduation from school or university, and have always started at the bottom of the ladder. This session will explore if the challenges facing young people in Egypt are a rite of passage or if they are new and problematic in scale?

A representative from ESCWA will briefly present the key findings from ‘Youth Employment Dynamics in Egypt: Challenges and Opportunities’.

Young people from the University of Cairo, the American University in Cairo and Alexandria University will present their concerns for employment after graduation.

A representative from the Ministry of Social Solidarity will present the changing landscape they see for young people.

A representative from ERF will present on the growing divergence between economic growth and job creation.

SESSION 2: YOUNG PEOPLE AND SMES – PROMISING POTENTIAL OR A DANGEROUS TRAP?

Young people are disproportionately employed in SMEs and are increasingly SME owners providing employment opportunities to their peers. This session will unpack the type of employment opportunities provided by SMEs to young people, and will question whether they can be the mobilizing force behind achieving greater youth employment in Egypt, or whether they risk trapping young people in unproductive and informal employment.

A representative from ESCWA will briefly present the key findings from ‘Building tomorrow: SMEs Potential to Create Youth Employment in Egypt’.

Representatives from SMEs will present their experience in offering employment opportunities, and the main constraints that they face.

A representative from the Ministry of Planning and Economic Development will present the potential they see for SME-led youth employment under Vision 2030.

SESSION 3: WHAT ABOUT SKILLS?

This session will explore if there is a labour market mismatch in the skills provided by young people and those demanded by companies. It will hear from youth and SMEs on their views of the skills mismatch and the training opportunities available to them to bridge any skills deficit.

A representative from the Ministry of Labour will present the available entry-level skills in the Egyptian labour market and at the sector level, based on the LFS.

A representative from ESCWA will present the potential entry-level skills in demand, using ESCWA skills monitor.

Young representatives will present the options available to young people to accumulate skills for the labour market.

Representatives from SMEs will present the options available to SMEs to provide skills training to new employees.

SESSION 4: BUILDING TOMORROW'S TOP LISTED COMPANIES

This session will explore how we can solve the challenges facing both young people and SMEs in Egypt to produce innovative, dynamic, and fast-growing SMEs that are a key source of high-quality employment for young people. It will provide practical policy solutions for policymakers, SMEs, and young people.

A representative from ESCWA will briefly present the policy recommendations from the two policy briefs developed.

A representative from the Ministry of International Cooperation will present their ongoing work under 'Tapping On The Power Of Small', and will identify further areas to develop.

A representative from the Sawiris Foundation will wrap up the session.

CLOSING LUNCH

The dialogue will close with a lunch that offers policymakers, young people, the private sector, and civil society organisations the chance to interact, share experiences and opportunities.