





# A Million days of work

Creating jobs for young Egyptians

*Empowered lives.  
Resilient nations.*

## A new phase

Proposed Programme  
Overview

October 2013



# Job Creation: Why now, in Egypt?

## Tackling youth unemployment at a time of economic austerity

Youth unemployment tops the concerns of society and government in Egypt as the country grapples with a complex political transition.

Historically high, unemployment levels, especially among Egypt's youth and women, have been on the rise even prior to the January 2011 Revolution that delivered a severe shock to the Egyptian economy.

Since the revolution real GDP growth has slowed from a peak of 7% to just 2.2% in 2012, and is expected to decline further to around 2% in 2013.

Unemployment rates increased measurably after the revolution, affected by the slowdown of a number of sectors that have traditionally employed a large percentage of Egyptians—such as in the tourism industry.

There was also a significant decline in the volume of domestic and foreign investment coupled with disruptions in access to external markets for producers of agricultural and manufactured goods.

The resultant decline in the purchasing power of most Egyptians has affected levels of demand for locally produced goods and services, slowing down the economy further and increasing unemployment.

During the second quarter of 2013, 3.6 million Egyptians (13.3% of the labour force) were unemployed, up from 2.3 million unemployed in the same quarter in 2010 – a sharp increase by 54.2%.

The unemployment crisis disproportionately impacts youth (15 – 29 years old), who constitute up to 73.9% of the current figure of 13.3%.

Although 24.8% of Egyptian households are female-headed, women remain marginalized in economic activities with an unemployment rate of 25.1% during second quarter of 2013 more than double that of men (9.7%).

Poverty in Egypt remains high, with 25.2% of the population living on less than USD 1.5 per day in 2010/11. Poverty rates are particularly in rural governorates that have suffered economic marginalization over decades of inequitable economic growth.

## The Facts

### Unemployment in Egypt in the second quarter of 2013\*



Population  
**83 MILLION**



Unemployed  
**3.6 MILLION**



Labor force  
**27 MILLION**

**13.3%**

Unemployment rate

### UNEMPLOYMENT BY AGE



3 OUT OF 4 unemployed persons  
are youth aged 15-29 years

Unemployment  
in Egypt  
disproportionately  
impacts  
youth and women

### UNEMPLOYMENT BY GENDER



**73%**



**22%**

Labor force participation



**10%**



**25%**

Unemployment rate by gender

\* Source: Central Agency for Public Mobilization and Statistics – 2013 Quarter 2 brief

## Public Works: Jobs with Community Benefits

### Piloting social works & labour-intensive infrastructure works

The Public Works approach is a scheme designed to be implemented in countries with slow economic growth or economies in recession. Public Works projects are designed to target the most vulnerable and marginalized, with a special focus on youth and women. That is why the Government of Egypt has prioritized Public Works projects as a means to tackle unemployment, especially among youth and women in the country, over the next 3- 5 years.

UNDP has partnered with Egypt's Social Fund for Development (SFD) to devise a Public Works programme suited for the country. For that purpose, UNDP supported the SFD in conducting comparative studies on successful Public Works models implemented in India, Malaysia and Brazil. Subsequently, the SFD developed a Public Works Employment Creation Programme tailor-made to Egypt's needs and priorities, which it has implemented, since March 2012, in six of the poorest governorates in Egypt, namely, Menya, Sharkia, Fayoum, Qena, Sohag and Luxor.

The programme implements two types of projects

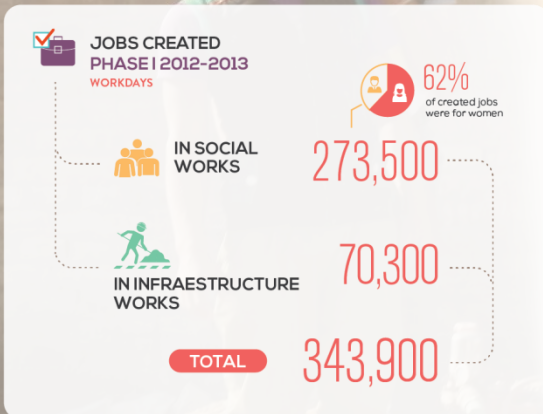
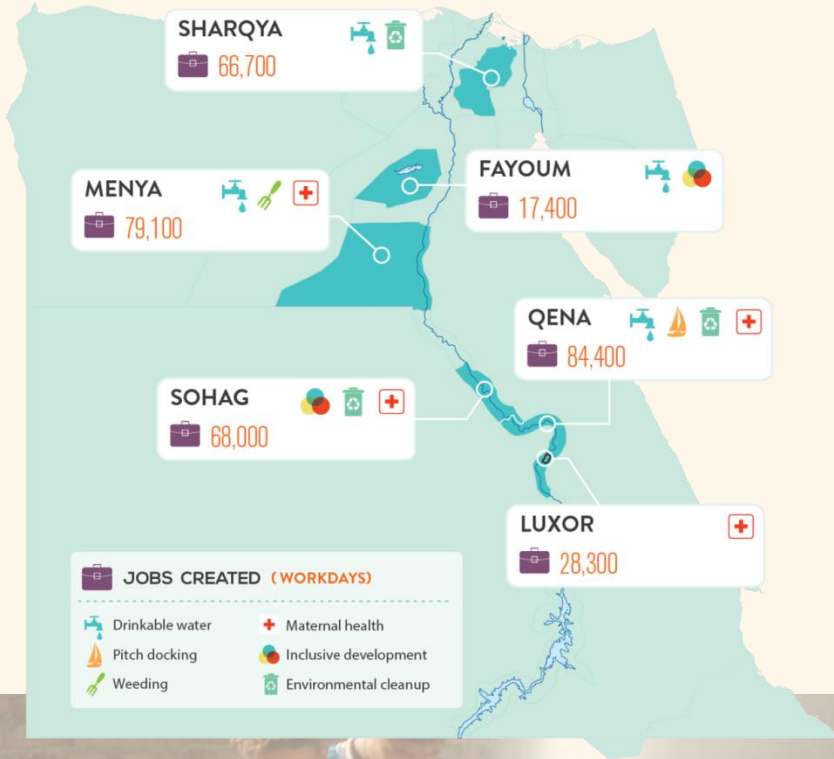
- **Labour intensive infrastructure projects** (5 projects), including rehabilitation and installation of potable water networks, construction of a pitched docking platform on the Nile and covering water canals passing through dwelling areas. These projects created 70,300 person-days of work over a period of 18 months.
- **Social works projects** (10 projects) employing young women in maternal and child health initiatives (5 projects) and mostly young men in environmental clean-up campaigns (5 projects) These projects created 273,500 person-days of work over a period of 18 months – with women representing 62.6% of the beneficiaries.

These projects do not only create jobs for youth. They benefit the communities where they are implemented and sustain local economic development. For example, extending potable water networks to homes and raising health awareness improve personal hygiene and eventually reduce household expenditure on health. Moreover these projects build capacities and skills of Egyptian unemployed youth and improve their employability prospects, in response to the current economic crisis.



# Results (Phase I: 2012-2013)

## 15 Public Works Projects in 6 of Egypt's Poorest Governorates



## A Million days of work

### Proposed programme for scaling-up

The Public Works model that the SFD tailored for Egypt has been tested and piloted over the past 2 years. Assessments indicate that the model responds well to the urgent need to create employment opportunities and build the capacities and skills of unemployed youth in the current economic crisis.

The SFD has developed extensive capacities and a solid track record for the management of public works projects at the community level, investing resources locally in labour-intensive infrastructure projects through the effective utilization of local labour and contractors, and implementing social works programmes (literacy, health and environmental improvement) through civil society organizations. In addition, the SFD has developed national poverty maps for the effective identification and prioritization of poor governorates and districts as well as priority community investment needs.

In the next phase (2014-2015) UNDP will collaborate with the SFD to scale-up the same strategy of using Public Works to create jobs to better target the unemployment challenges in Egypt focusing on the poorest governorates in the country.

The proposed Public Works programme will create 1,013,370 days of work for unemployed youth at an estimated cost of USD 14,130,000.

Labour-intensive infrastructure projects will generate 302,000 work days, mostly for unemployed young men, who will work in extending potable water networks; canal pitching; constructing roadside protection; and refurbishing public buildings. Labour-intensive infrastructure projects will cost USD 9,900,000 (70% of the total budget).

Over 50 % of the 711,370 work days generated through social works, comprising school nutrition, maternal and child health and environmental clean-up initiatives will go to unemployed young women. Social works projects will cost USD 4,230,000 (30% of the total budget).

The programme affords enrolled youth an average of 100 days of work.

# The Public Works Programme proposed Over 24 month (2014-2015)

## JOBS CREATED THROUGH PUBLIC WORKS

# 1,013,370 Days of Work @ USD 14,130,000

Labour-Intensive  
Infrastructure Projects

**302,000 days of Work**  
USD 9,900,000

Social Works  
Projects

**711,370 days of Work**  
USD 4,230,000

## A sensible investment

Cost breakdown for every USD invested \*



**43.50¢**  
Directly to  
Unemployed Youth



**53.00¢**  
Capital Investment  
(Infrastructure / Social)



**3.50¢**  
Management costs



\* Based on costs of Phase I



## In Brief

### Creating employment opportunities for young Egyptians

The proposed programme responds to the urgent need to create short term employment and to build capacities and skills of Egyptian unemployed youth (18-29 years of age) and women in Egypt's current economic crisis.

It implements a Public Works program comprising labour intensive infrastructure projects and social services projects. This programme helps expand and diversify employment opportunities for both young men and women, while at the same time infusing infrastructure and service investments much needed to boost local economic development in poor communities. The programme focuses mainly on the poorest rural governorates that have the highest rates of poverty and lowest coverage of services.

The programme will run for 24 months (2014-2015) and will create 1,013,570 work days. The estimated budget of the project, which totals USD 14 million, will be divided between infrastructure projects (70%) and social works projects (30%). The former focus heavily on young males while over 50% of opportunities created through the latter are young females.

In average every young man or women employed through the programme is given the opportunity to work for 100 days per year. However, benefits to the local communities where the projects are implemented far exceed the 10,000 youth employed, to include durable investments that improve over time the quality of life and economic opportunity for the entire community.

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#### Social Fund for Development (SFD)

The Social Fund for Development (SFD), established in 1991 with UNDP assistance, is a semi-autonomous institution chaired by the Prime Minister. UNDP has been a partner of the SFD since its inception in 1991 and continues to provide technical and institutional capacity development support. Over the years, the SFD has transformed from a fund focused on operating as a social safety net mechanism to one that supports employment creation through its support for micro and small enterprises on a national scale. As such, it has developed extensive capacities and a solid track record for the management of public works projects at the community level, investing resources locally through the effective utilization of local labour and contractors, as well as implemented literacy programmes through civil society organizations. In addition, the SFD has developed national poverty maps for the effective identification and prioritization of poor governorates and districts as well as priority community investment needs.

