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Selling hope? A review of current youth unemployment initiatives in Cairo

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Abstract:

Young university educated Egyptians continue to face difficulties in securing employment, particularly employment that matches their skill-level and provides a solid foundation for marriage. This has direct implications for the country’s social stability, and for maximisation of its labour resources. Existing initiatives – including soft-skills and entrepreneurship training, as well as a promotion of call centre work – which are designed to tackle the problem are not making a positive difference. Using eleven months of grounded qualitative research, this paper argues that they rather promote a false sense of hope to youth who become stuck in cycles of precarious work, by extending the meritocratic idea that individual hard work alone leads to success. The paper finishes by suggesting that policy-makers must focus more attention on addressing shortages in secure white-collar work, as well as inequalities in access to capital, education and social connections, instead of placing blame on ‘lazy’ youth, in order to maximize the potential of Egypt’s youth and deliver inclusive economic prosperity.

Keywords: youth, unemployment, training, entrepreneurship, meritocracy, hope

Introduction:
Youth unemployment in Egypt is concentrated among those with a university education: 34% of the country’s 2.3 million graduates are now without work (compared to just 2.4% of those without education). Many more also face prolonged periods in insecure, low-status, and low-paid employment after graduation (Brookings, 2016). Ragui Assaad and Caroline Krafft (2014) have found that graduates from less privileged backgrounds – for example those graduating from the overcrowded, low-quality Arabic language ‘koleyyat el sha’b’ (faculties of the people) of public universities, such as law, humanities and accountancy – are especially vulnerable, with men slipping into informal working arrangements, and women slipping out of the labour market altogether. At the same time, this group of educated, aspiring middle-class Egyptians are being exposed to the glamorous international private companies and tech start-ups which provide high-paid employment and upscale lifestyles to some upper and upper middle-class Egyptians in the aftermath of 1990s economic liberalisation (de Koning, 2009; Peterson, 2011). Their aspirations therefore reflect this exposure.

Thus, in the aftermath of Egypt’s 2011 Uprising, sociologist Asef Bayat (2011) discerned the emergence of a ‘middle-class’ poor in the country (see Schielke, 2015; Zayed, 2014), “those with high education, self-constructed status, wider worldviews, and global dreams who nonetheless are compelled — by unemployment and poverty — to subsist on the margins of neoliberal economy as casual, low-paid, low-status, and low-skilled workers (as street vendors, sales persons, boss boys, or taxi drivers), and to reside in the overcrowded slums and squatter settlements of Arab cities. Economically poor, they still fantasize about an economic status that their expectations demand — working in IT companies, with secure jobs, middle-class consumption patterns, and perhaps migration to the West.” Bayat claimed that this group played a major part in the events of 2011 (see Chalcraft, 2012), and although there are many competing explanations (Beinin, 2015), it is clear that satisfying and fulfilling the potential of its struggling, youthful educated population is one of the most pressing issues Egypt faces.

In recent years, an industry which transcends private, public, and developmental sectors has emerged to bridge the gap between educated but under-privileged youth and successful education-to-work transitions. This industry comprises many initiatives: employment and scholarship fairs, ‘soft skills’ training programmes, and entrepreneurship events and courses. Based on my PhD research (see Pettit, 2018a), which entailed eleven months of ethnographic fieldwork conducted between 2014 and 2016 with a group of 50 male university graduates from the koleyyat el sha’b (law, accounting, humanities), of which I followed 15 closely, this paper reviews the impact of this industry. By following a group of young men for a prolonged period, I show that this industry does not alter their employment struggles. Rather, it offers up (and often sells) a false sense of hope that private sector success can be achieved through individual hard work alone. This in the long run leads to frustration among youth, and also leaves untouched more structural reasons for their stagnation.

In the remainder of the paper, I will first describe two sites which extended hope to young graduates; a soft-skills training course, and entrepreneurship events. The paper will then describe how, by following young men over the following years, I found that

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2 This Egyptian situation is reflective of a much broader problem of educated un/underemployment across both Global South and North (Honwana, 2012; Jeffrey, 2010).
these sites did not enhance their prospects, but rather gave them a cruel sense of hope that hard work alone was enough, when the reason for their difficulties laid beyond their control. I will end by suggesting that there instead needs to be renewed efforts to address chronic shortages of secure white-collar work, as well as inequalities in access to capital, education, and social connections in the skilled labour market.

However, before continuing, I will say a little more about methodology. Although the number of participants is insignificant compared to Egypt’s graduate population, the struggles of this group are representative, as, first, data suggests that un/underemployment is afflicting a large proportion of university graduates. Second, quantitative data also suggests that a large number of graduates have come into contact with the aspirational industry of courses, fairs, and events described below. But the grounded qualitative methodology utilised here was a purposive choice. Its specificity is a strength, enabling a grounded, rich understanding of social, political, economic, and cultural processes. Indeed, as will become clear, part of the goal of this paper is to criticise the shallow measurement of success that is pervasive in Egypt’s training industry. Finally, this paper concentrates on the struggles of young men, in part because the expectations placed upon them to secure dignified work remain particularly acute. However, unemployment rates among female graduates remain much higher (Assaad & Krafft, 2015; Barsoum, 2004), and employment initiatives, including those discussed in this paper, are increasingly targeted towards women. Similar research is therefore needed to understand their impact.

Learning to hope

Soft-skills training scholarships are provided by multiple local and global non-profit organisations that obtain funding from development donors and the private sector, as well as international training companies that run programmes with government funding. But this training extends much deeper through self-employed ‘career coaches’ and online material. It is also increasingly implemented inside public universities. Thus, although difficult to assess the numbers impacted, based on an International Labour Organisation survey of youth employment projects conducted in 2015, at least 30 out of 233 offer soft skills training specifically for educated youth, which translates into 160,000 graduates of higher education.\(^3\)

Reflecting recent global trends towards ‘non-technical’ employment training, the two month courses in exchange for a small ‘commitment fee’ offer to provide unemployed public university graduates with the ‘professional soft skills’ to succeed in Egypt’s international private sector: business English; ‘essential labour market skills’, such as interview techniques, CV writing and career planning; and work values/character development, such as self-presentation, communication, teamwork, commitment, problem-solving and time management. They also promise to help graduates obtain what is labelled ‘decent work’, and teach youth how to plan entrepreneurship projects.

The soft-skills focus of these courses has international origins. It stems from the International Youth Foundation’s (IYF) global soft skills training initiative. The IYF considers these “non-technical, professional” abilities to include “communication, interpersonal and customer service skills, as well as personal traits such as integrity

\(^3\) http://www.youth-employment-inventory.org/

\(^4\) http://www.youth-employment-inventory.org/
and responsibility” (2013: 1). Vocational employment training has historically been associated with preparing people for technical and manual labour, yet there has been a recent rise in attention to ‘non-technical’ skills (Schulz, 2008; Hurrell et al. 2013). This rise is in part associated with global shifts towards immaterial and affective labour, and is derived from surveys conducted with private-sector organisations.

In Egypt, in the case of university students there has been a growth in the view that ‘soft life skills’ rather than technical skills are holding them back: their “personal responsibility, adherence to common work ethic, leadership, and ability to manage conflict and criticism” in addition to “basic IT and English language skills” (IYF, 2013: 1; Osman, 2011). This comes from a view that public education does not provide the English, presentation, or problem-solving skills required by an international service economy. This training has been criticised in other contexts for being a veil for producing the disciplined worker required by employers with low-skilled jobs, and for placing the responsibility for success or failure on individuals rather than society (Bergmo-Prvulovic, 2012; Darmon & Perez, 2011; Korteweg, 2003).

After spending three months inside one training organisation, I discovered that the course was a euphoric experience for graduates who, contrary to much development literature which claims that Egypt’s graduates are waiting for government jobs (Brookings, 2016), dreamed of becoming entrepreneurs, human resource managers and accountants in multinational companies. They watched videos of Australian executives introducing themselves over work drinks; listened to Apple founder Steve Jobs providing advice; practiced how to speak English in a non-Egyptian accent with a teacher who studied in Europe; learned how to dress (and smell) professionally; and invented imaginary start-up projects.

Much employment-related development assistance is focused on demand-side factors, but attention also goes towards enhancing the skills of populations (Wallace, 1990; Walker et al. 2008). The origins of this focus lie in Becker’s (1975) concept of human capital, but it has intensified with increased emphasis on more vocational forms of education (Watson, 1994; Ansell, 2015).
Participants were also told that the future was in their hands: if they worked hard, addressed their skill weaknesses and remained positive, they would achieve a successful 'career' or become a successful entrepreneur. They were thus told to dream big. They would do this through conducting SWOT (strengths, weaknesses, opportunities, threats) analyses, or practicing time management. Egypt's private sector is now 'meritocratic', they were told: it rewards hard work and skills rather than 'wasta' (nepotism) and class upbringing. This was ‘proved’ by the stories of the teachers themselves, who described how their own hard work and perseverance had secured their career advancement. They neglected to openly discuss their own privilege, such as private education.

One aspect of the course that caused frustration was the suggested employment path. Participants were told to apply for entry-level service work such as sales, customer service, and insurance, predominantly in Cairo's call centre industry, which has become a major source of graduate employment in recent years on the back of government support. Although statistics on the size of this sector are scarce, one estimate claimed that the call centre industry increased from 600 to 50,000 jobs between 2000 and 2010. These jobs are advertised as ‘decent’ because they adhere to International Labour Organization standards of decent work: providing a contract, social insurance and a salary of above 1000LE per month ($125 in 2015).

However, these jobs have become notorious, particularly among male graduates because contracts are insecure and temporary. This means that it is difficult to secure acceptance for marriage. The daily work is also stressful and humiliating, certainly not

\[ \text{http://egyptoutsourcing.blogspot.com/} \]
ample reward for years of education. In fact, even though organisations advertise that they help unemployed graduates, many course participants had left call centre jobs in order to take the full-time course and secure better employment.

Rather than accepting this, course designers, trainers and development practitioners generally consider public university graduates to be technically unskilled, and therefore suitable for low-skilled service work. There is widespread criticism of Egyptian graduates for remaining in ‘luxury’ unemployment, refusing to accept jobs deemed beneath their level. Salma Wahba, youth and adolescent development officer at UNICEF Egypt, said in a 2014 Guardian interview that: “in Egypt, youth still prefer to work for the government, rather than the private sector, perceiving it to be a secure job. Many people are waiting for the job that best fits their qualifications rather than actively seeking employment and accepting jobs that they think are below their level. This is a major cultural barrier among youth in Egypt.” I was told repeatedly by staff that youth were too ‘image-conscious’ and ‘closed-minded.’

A major goal of the training therefore becomes not lifting up participants, but convincing graduates to take customer service jobs, in order to secure ‘success’ for the organisation, which is only measured through an employment survey after three months, and in many organisations success is not measured at all. Participants were even screened through interviews according to the likelihood that they would accept this work. If they were judged to be likely to reject call centre work, they were rejected from the course itself.

During the course, participants were convinced to accept call centre work through an insistence from trainers that these jobs would provide a stepping-stone to better opportunities. They were told that they lack understanding of how ‘modern’ labour markets work. They still hold on to the idea of a ‘job for life’, a remnant of Egyptian socialism, but now one starts low, switches jobs frequently and builds a career slowly. Wafaa, the Programme Manager at the organisation at which I was based, told me that youth need to be more ‘realistic’ and committed:

“The mind-set of graduates now is to finish and get the certificate, and with that it is assumed you get a job, they don’t have guidance to know it doesn’t work like that. I try to think where this taking culture comes from, the lazy culture of expecting things to be done for you. Maybe it was from Nasser and the big government giving jobs, but I wasn’t given anything”

If participants continued to ‘work hard’, both in their jobs and through developing their English and presentation skills, and if they saved money and expanded their network, participants were told that they would climb the career ladder through securing promotion to other departments, better jobs in other companies, or establishing a start-up. They were given the hope of private-sector career progression.

Planning in Hope

One of the most euphoric parts of the soft-skills course came at the end, when participants were asked to plan and present an entrepreneurship project in a graduation

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7 This claim is proved by figures such as “30% of unemployed youth refused a job because they felt it “did not match their level of qualification”” (Brookings, 2016).
ceremony which took place in the upmarket area of Zamalek. Participants entered the stage and presented their ideas to create smart watches, hydro-powered cars, and micro-chips with Egypt’s vast sand resources. This exercise was described by one trainer as an effort to “plant a seed, so if youth know they are in a call centre for two years, but they are also working on a project, I’m sure someone can find financing these days.”

This exercise also symbolises a broader trend in Egypt’s development and training industry. Entrepreneurship has emerged as a major development initiative, particularly in the aftermath of President Obama’s 2009 Middle East entrepreneurship initiative (Ghanem, 2013). It is presented as a powerful tool for enhancing inclusive economic growth and decreasing unemployment, particularly for Egypt’s ‘tech-savvy,’ ‘bulging’ youth population, in a context where the government and private sector are failing to generate jobs. It incorporates different kinds of donors/investors, incubators and platforms designed to provide supportive ‘ecosystems,’ educational facilities teaching entrepreneurship skills, and start-ups themselves. There are various links with the training economy. Centres often conduct entrepreneurship training, and one ‘social entrepreneurship project’ also conducts soft-skills training.

My research participants would also attend many other events and lectures which made up part of this entrepreneurship scene. On one occasion, I attended a UN Day Fair, designed to commemorate the stories and successes of UN beneficiaries in Egypt, with two young male course participants (see Figure 2). The majority of attendees, mostly employees of the UN and related organisations, were from Cairo’s upper-middle/upper-classes or foreigners. Yet, another group, of which my participants were part, were from Egypt’s lower-middle classes. They had come to find funding opportunities, and establish useful connections.

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8 The use of entrepreneurship as a development strategy has been much critiqued elsewhere (Elyachar, 2005; Dolan & Rajak, 2016).
My informants also read extensively online about international entrepreneurs, like Steve Jobs, reposting their inspirational quotes on their Facebook pages (see Figure 3). In these entrepreneurship events, they would be told that entrepreneurs need to have an entrepreneurial mindset, to be risk-takers, to be passionate, to be hard-workers, to believe when others doubt in order to be successful, to find funding, or establish useful connections. During my own interviews with employees in this entrepreneurship scene, who were all internationally and/or privately educated, they were keen to tell me to be more hopeful about the futures of my participants, and stress that ‘anyone’ can become an entrepreneur.
As with the soft-skills course, these entrepreneurship events provided euphoric experiences for my participants. They envisioned a future of social mobility, wealth, and prestige. Mostafa, who had attended the UN Day Fair, described how the lower-middle class attendees like him were “looking for a chance or to see how they can improve themselves, how it can help them. They have a talent and dream. Today I told myself I can do everything I want to.” Events were described as “motivating.” Attendees learned how to follow and develop their passions and dreams.9

In 2014/15, all of my participants (who were between 22 and 26 years old at the time) were full of hope that their ambitious plans for high-status work and entrepreneurship would be realised. But by following them as they attempted to turn this hope into reality for two years thereafter, I observed how the hopeful progression sold to them in both the training courses and entrepreneurship events failed to materialise.

**Stagnation**

My participants made repeated attempts to develop themselves further through taking English, accounting, and computer courses. However, they often lacked the funds and time outside full-time shift work to do so, particularly to afford good quality courses. Furthermore, countless applications for jobs and scholarships abroad, and efforts to expand connections were not rewarded with promotion inside the call centre companies, secure white-collar jobs or seed funding to establish a start-up.

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9 For more detail on the way in which the entrepreneurship scene in Cairo provides false hope to lower-middle class youth, see Pettit (2018b).
Instead, they have remained stuck in a cycle of precarious, low-paid and low-skilled work, in call centres, outdoor and indoor sales and mobile phone shops, and unemployment. They would spend a few months and up to a year in one job, before moving on to the next as a contract ended or because of built-up frustration at a lack of promotion, low-pay, or a lack of time to work on themselves. Very often, they feared becoming stuck in that low-paid, low-skilled job that would make marriage very challenging, and therefore decided to leave in the hope of finding better. Considerations of home ownership and marriage were pushed further and further into the future due to an inability to secure respectable, permanent employment, and a decent salary as prices increased due to steady inflation.

Initially, I witnessed how these young men kept blaming themselves for their struggles. They returned again and again to the narratives extended in the soft-skills training courses and entrepreneurship events, that it was a lack of hard work which sustained their stagnation. They did this because these narratives provided endless hope that they had the power to change their trajectories in the future. Yet, over time, this hope-making was steadily replaced by frustration, apathy, anger, and in some cases, depression. Instead of reading inspirational quotes, these young men began more and more to rail against the wasa (nepotism) and discrimination in the labour market, and inequality, that turned “powerful, creative youth into “slaves who mashyeen fe dowama (walk in whirlpool)” (see Figure 4).

Figure 4 – a depiction of structural inequality shared on Facebook by one of my participants
All of my participants, who are now between 27 and 32, are working at the moment, but struggling with low-wages and jobs they consider undesirable: selling clothes informally, working in mobile phone shops, or small accounting offices. A few have managed to emigrate to the Gulf, which means drastically more money, but a difficult living environment. Particularly for those still in Egypt, the visions sold in the training programmes remain far away. Some have given up trying and are now focused on ‘opening a house’ and marriage, particularly in a worsening economic situation.10

Looking back on the training courses and events, many have turned critical. They are accused of making little difference to career prospects, of not recognising the importance of money, connections, or a fee-paying education in the labour market over hard work, and of not offering up varied enough jobs or technical skills, such as accounting or banking. One participant said to me: “if they are able to get an HR representative from an international call centre company in to speak to us about call centre work, why can’t he speak to us about HR work?” The more cynical of my participants accused organisations of “trading in the hopes of the youth.” In other words, they make money from selling young people the idea that they will make a difference to their careers. Mahmoud, one course participant who changed jobs seven times during my research – and who is now working in as a taxi call centre agent in Dubai – described the soft-skills courses as being “designed to serve hidden purposes:"

“The only beneficiaries from those courses are the companies who enslave the unemployed educated youth to make more money by selling them the idea that they are not qualified enough and this is the labour market and they have to adapt and work hard until some fucking miracle happens....Egypt is a country which really gets many aids from European countries but instead of delivering those aids to small businesses and education it puts them in the hands of a few and doesn’t create any new vacancies even if for economic development"

The stagnation of these men has consequences for Egyptian society. It represents drastic under-use of a potentially valuable labour resource, which acts as a catalyst for both outward migration, and, according to some research, some of the political instabilities seen in recent years (Ianchovichina et al. 2015; Kandil, 2012). Rather than helping, current initiatives are perhaps making the situation worse by fuelling aspirations without providing a means of fulfilment, while blaming youth for failure thereafter. Their stagnation does not result from a lack of ‘hard work’, but rather from things that lay beyond their control, things that are not fixable through entrepreneurship events or a short soft-skills training programme. I want to finish by suggesting some future directions that this industry, and policy more broadly, could take in order to improve the conditions of Egypt’s educated youth.

Conclusion: future policy directions

First and foremost, there requires an attitude change within Egypt’s training and entrepreneurship industry. There needs to be recognition that the plight of Egypt’s educated, un/underemployed youth is not down to a lack of motivation or hard-work alone. My research revealed that young people are working extremely hard, to develop their skills, expand their connections, and find jobs, yet they are often not rewarded with

10 https://nationalinterest.org/feature/egypts-economy-big-trouble-17863
the security and prestige promised to them. This is down to structural reasons beyond their control. Indeed, recent work has demonstrated that the incidence of social mobility in Egypt has declined in recent decades (Binzel & Carvalho, 2017).

The first thing to reiterate is that Egyptian graduates remain victims of a severe shortage of secure white-collar jobs in the labour market. The 1990s halt to government recruitment has never been adequately replaced by a private sector which remains concentrated in capital-intensive industries. This issue is exacerbated by continued expansion of public education which produces thousands of graduates every year. Call centre jobs, although abundant, do not rectify this shortage. They remain temporary, short-term, and low-paid solutions. Thus, there must continue to be a drive to increase the quantity of secure, skilled work. Although the call centre industry does not represent a long-term strategy, in the short term, ensuring that its jobs are permanent, well paid and respectable should be a priority.

But the second major labour market problem is that access to existing skilled white-collar work is highly unequal (World Bank, 2012). Training organisations largely rightly suggest that youth from large public university faculties such as commerce, law, and humanities, are not highly-skilled. Egypt’s education system has been increasingly driven by the marketplace. Obtaining a good quality education in private schools, private universities, fee-paying faculties of public universities, and the country’s notorious private tutoring system is dependent on economic power, while others are left to negotiate an underfunded free public system (de Koning, 2009). These youth cannot subsequently address the discrepancies in their technical skills, soft skills and social connections built up over many years, particularly as they lack resources to take good quality courses. For example, would-be accountants in large companies are required to take the Certified Management Accounting course, at a cost of many thousands of Egyptian pounds.

This discrepancy cannot be made up in short soft-skills courses or individual effort. During interviews with recruiters working in multinational companies, I found that, outside the technical fields of engineering and computer science, they actively recruited based on private education and employee networks. This was described as an attempt to recruit “open-minded” people who had a good social upbringing. Even in call centre companies, those working in managerial roles have predominantly had a private, fee-paying education. Furthermore, during interviews, recruiters would often make decisions based on symbolic markers of class upbringing such as English accent, music taste, or experience of travel abroad.

Thus, it is widely known that Egypt’s free public education needs drastic improvement, both in terms of technical and so-called ‘soft skills.’ Incidentally, the recent decision to halt English language learning from a young age, and close down experimental language schools, will make it harder for the lower/lower-middle classes to acquire the English skills necessary to secure jobs in the internationalised sector of the economy. Post-university scholarships also need to try harder to secure pathways to high-skilled, secure work with definitive promotion opportunities. A common experience among young men in call centres or sales is a lack of promotion opportunities. The managerial level is often hired from outside. This would involve a longer-term assessment of success and also more focus on technical skills, such as accounting, banking, or HR.

Action also needs to be taken to remove the growing stigma attached to public education in recruitment processes, and the use of employee networks. Those from the koleyyat el sha'b often find themselves screened out of recruitment processes. One potential small step, which has been trialled elsewhere, would be to remove university names from CVs, in place of degree classifications. Furthermore, there is a broader issue with classed discrimination in recruitment processes. The tendency to screen out people who do not have an international-school English accent, or upper-middle class consumption tastes must be tackled.

In terms of entrepreneurship specifically, Egypt’s scene remains a highly exclusive space, with large amounts of start-up capital needed at the early stages, and investment opportunities highly dependent on social connections and education. More effort needs to be made to widen access to start-up investment, particularly in high-tech sectors. Short entrepreneurship courses are not enough, and only add to frustration. However, entrepreneurship ventures in any case are extremely risky. 9 out of 10 start-ups in Egypt’s scene fail, which in itself makes it more exclusive to those with resources.

These suggestions represent a range of directions, and there exist many limitations to combatting what remains a highly segmented social structure and an economy experiencing many challenges. However my research shows that current initiatives are not solving the problem of youth unemployment and underemployment in Egypt; indeed, they might be causing more frustration. The country’s youth are ambitious and skilful, and through the right policies, their full potential can be realised.
References


