

Excluded Generation: The Growing Challenges of Labor Market Insertion for Egyptian Youth

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Abstract

Youth in Egypt hold rising aspirations for their adult lives, yet face an increasingly uncertain and protracted transition from school to work and thus into adulthood. This paper investigates how labor market insertion has been evolving over time in Egypt and how the nature of youth transitions relates to gender and social class. We demonstrate that youth today face poorer chances of transitioning into a good job than previous generations, despite large increases in educational attainment. Social class is playing an increasing role in determining the success of the transition from school to work in Egypt. Whether youth successfully make modern transitions, embark on such transitions and fail, or pursue a traditional route to adulthood depends on a complex and changing interaction between their own educational attainment and the resources of their families. In light of these findings, we discuss the policies that can help facilitate successful transitions for struggling youth in Egypt.

Keywords: Transition from school to work, Youth, Adulthood, Life course, Egypt

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1 Introduction

In line with their rising educational attainment, Egyptian youth hold rising aspirations for their adult lives. Yet they are increasingly struggling to transition to adult roles and to fulfill these aspirations. Moving from adolescence to adulthood rests on three key life course transitions: education, employment, and family formation. High unemployment rates and rising levels of informality in employment, despite increasing educational attainment among Egyptian youth, are symptoms of the difficulties youth face in negotiating these transitions, particularly the transition from school to work. The uncertain and increasingly protracted nature of the transition to adulthood in Egypt and in other countries of the Arab world has been dubbed in the literature as “waithood,” short for wait adulthood (Dhillon & Yousef, 2009; Salehi-Isfahani & Dhillon, 2008; Singerman, 2007).

The frustrations and anxiety associated with the transition to adult roles, especially the perception of a lack of social justice in the opportunities available to youth as they negotiate the transition, have undoubtedly been a potent force propelling the political events in the region that have widely come to be known as the “Arab Spring.” The increasing obstacles youth face in achieving their ambitions manifested themselves in the prominent role middle class youth have played in protest movements (Joffé, 2011; Kandil, 2012; Kuhn, 2012; Malik & Awadallah, 2013; Moghadam, 2013; Pace & Cavatorta, 2012; Richards, Waterbury, Cammett, & Diwan, 2014). This paper uses the case of Egypt to illustrate the nature of the waithood phenomenon and how it relates to social class and educational attainment. Using a life course perspective, we offer a

typology of school to work transitions based on the process of transition itself and how it intersects with gender, education and family background.

The concept of the life course is the interlinked sequence of age-specific social roles that individuals experience as phases in life. The life course paradigm allows for the study of multiple key transitions and trajectories and their intersections with institutions and other contexts. This perspective allows us to understand how youth evolve and transition over time, in contrast to most research that focuses on experiences and statuses at a single point in time. A life course perspective also encourages understanding the interplay between multiple domains, for instance both school and work, and how they intersect, rather than treating them as separate (Han & Moen, 1999; Mortimer & Shanahan, 2003). Throughout this paper, we draw on a life course perspective and related methods to understand the transitions and trajectories youth experience as they move into adult roles.

The inter-linkages between transitions, especially schooling, work, and family formation, are vitally important for understanding the trajectories of Egyptian youth as they move into adult roles. Previous research on Egypt and Jordan has demonstrated how employment transitions for youth are shaped by educational attainment and gender (Amer, 2009, 2015; Angel-Urdinola & Semlali, 2010; Assaad & El-Hamidi, 2009; Assaad, Hendy, & Yassine, 2014; Gebel & Heyne, 2014). Education and employment outcomes also intersect with marriage trajectories in ways that are fundamentally distinct along gender lines (Amin & Al-Bassusi, 2004; Assaad, Binzel, & Gadallah, 2010; Assaad & Krafft, 2015a, 2015b; Gebel & Heyne, 2014; Salem, 2014, 2015; Singerman, 2007). Most research focuses on one of these transitions at a time, but some previous works have examined multiple transitions as part of a single trajectory (Amin & Al-Bassusi, 2004; Assaad, Binzel, & Gadallah, 2010; Dhillon, Dyer, & Yousef, 2009; Gebel & Heyne, 2014).

An important element of adopting a life course perspective is understanding how the young person's family background, socio-economic class or privilege, and gender intersect with his or her trajectory. While previous research has noted the important role that education plays in youth inclusion or exclusion (Assaad & Barsoum, 2007), we examine the arguably growing role of socio-economic background in youth exclusion. Investigating the patterns and inter-linkages of different transitions and their intersection with social background is vital for understanding the challenges and frustrations youth face and designing policies and programs to promote more successful youth transitions.

This paper focuses on the case of youth transitions in Egypt, but draws comparatively on findings and literature from other countries. We examine the interplay between education and social class in shaping the transition from school to work and how it has changed across generations. Whether youth successfully make modern transitions, embark on such transitions and fail, or pursue a traditional route to adulthood depends on a complex interaction between their own educational attainment and the resources their families bring to bear to assist them with their transition. We provide a taxonomy of youth based on own education and family background to demonstrate how privilege or exclusion shape transitions across the life course. With increasing levels of education, youth in Egypt and throughout the Arab world have increasing expectations for modern living—modern jobs, and modern marriages. These expectations remain unmet for many youth, creating a source of frustration and anxiety. Unmet expectations also intersect with a sense of social injustice, as the success of youth in meeting these expectations is increasingly shaped by their socio-economic background. This dynamic has created an insider/outsider divide for youth in Egypt and elsewhere in the Arab world,

contributing to the sense of social injustice articulated by middle-class youth in the Arab uprisings of 2011.

2 A Taxonomy of Youth Based on Educational Attainment and Social Class

To understand the potential paths of youth transitions, we define a taxonomy of youth privilege based on own educational attainment and family background, and characterize how this taxonomy intersects with the transition from school to work. The school and work phases of the life course mark important milestones on the transition to adulthood. They also tend to occur in sequence; the timing and success of education impacts the timing and success of the transition to work, and, in turn, these two transitions affect the timing and success of the transition to marriage and family formation.

Following previous work on youth transitions in the Arab World and cognizant of the risk of over-simplifying a complex phenomenon, we define two archetypal life courses for youth, one that we refer to as “traditional” and the other as “modern” (Dhillon, Dyer, & Yousef, 2009). The traditional life course involves early exit from school and an immediate and early transition to work with no unemployment nor extended job search, work in a family enterprise or farm, or as an irregular (or casual) wage worker. The modern life course involves more schooling, at least up to the upper secondary level, and a search for formal employment, which often involves a period of extended unemployment. Formal jobs play a particularly important role in the modern transition, as these jobs, which have typically been in the public sector, offer the benefits, job security and status that youth aspire to and are thus strongly preferred by youth (Barsoum, 2015). Formal jobs are the signal of a successful modern work transition that enables youth, young men

in particular, to subsequently make a successful transition to marriage (Assaad, Binzel, & Gadallah, 2010; Assaad & Krafft, 2015a).

Attaining upper secondary or higher education, the first step of the modern transition, has become increasingly common in Egypt. At the same time, formal jobs have become increasingly scarce as public sector hiring continues to decline without a commensurate increase in private sector formal employment (Assaad & Krafft, 2015c). This has created a pinch point or bifurcation among those attempting to make modern transitions. Youth with secondary or higher education have expectations of joining the middle class by accessing formal employment, but increasingly find themselves excluded from such employment, resulting in a protracted and often disappointing trajectory. We thus distinguish between two trajectories among those attempting a modern transition. Both start with a minimum level of educational attainment, but then diverge in their employment trajectories depending on the resources and privileges families bring to bear to assist the young people in their transition. The privileged or successful modern transition may involve a period of unemployment, but this is typically followed by formal employment and thus a more favorable transition into adult roles. The struggling or failed modern transition may involve a period of unemployment, perhaps quite a lengthy one, but this is typically followed by either informal work (for men) or by a withdrawal from the labor force (for women). Although we illustrate this pattern for the case of Egypt, the pattern across other Arab countries has been similar: substantial progress in terms of educational attainment, but not in other areas of youth development (Chaaban, 2009).

We explore these different trajectories and transitions using data from the Egypt Labor Market Panel Survey (ELMPS) of 2012. This survey includes rich current and retrospective data on major life course events in terms of education and the labor market. We also draw on previous

rounds of the same survey in 2006 and 1998, both to make comparisons of patterns over time and to enrich our illustrations of transitions by tracking individuals over time.ⁱ We do not define youth based on a particular age, but instead (as in other studies examining life course transitions) define youth as those undergoing transitions to adult roles (Brown, Larson, & Saraswathi, 2002; Gebel & Heyne, 2014). We present analyses primarily based on individuals who were 25-34 at the time of the survey in 2012, an age group that can illustrate the path to adulthood after completing education.ⁱⁱ The opportunities and expectations of youth are shaped by a number of factors, but particularly important are gender and urban/rural location, which interact with the educational attainment of youth and their socio-economic background. To assess how these transitions have changed across generations, we contrast the transition experience of 25-34 year olds in 2012 to that of 45-54 olds at similar points in their life course.

We distinguish between four different ‘types’ of youth based primarily on educational trajectories but also on socio-economic background, both of which shape the opportunities and expectations of youth. We consider both young people’s own education and that of their fathers, using father’s education as a proxy for the socio-economic status of youth, the expectations of their families, and the social connections that can be deployed to support their transitions. Youth are categorized as attaining (1) less than a secondary education (2) a secondary education (3) higher education, but having a father with less than secondary education or (4) higher education and having a father with a secondary or higher education.ⁱⁱⁱ We hypothesize that those with less than secondary education are likely to expect and experience traditional transitions, but that those with secondary and higher education are much more likely to expect and attempt a modern transition, with varying degrees of success.

Table 1 illustrates the different education transitions Egyptian youth experience, focusing on the differences between males and females as well as youth living in urban and rural areas. About a third (34%) of all 25-34 year-olds in 2012 did not complete secondary education. Many (17%) are in fact illiterate, but a number have achieved literacy or attained a primary or preparatory (lower secondary) education. The most common educational trajectory is attaining a secondary degree, with 40% of youth leaving school after attaining that level. The vast majority of those with secondary degrees have vocational secondary certificates, as a general secondary certificate is rarely terminal in Egypt, and achieving a general secondary degree is essentially a guarantee for accessing higher education. The remainder, around a quarter of those 25-34 in 2012, attain some kind of higher education, which includes post-secondary middle institutes (2 years), higher institutes (4 years) and universities (4 or more years). Youth with higher education are nearly equally divided between those with fathers with less than a secondary education (13%) and those with fathers with a secondary or higher education (12%).

There are substantial differences in education transitions along gender and urban/rural lines. Attaining a less than secondary education is much more common in rural (42%) than in urban (24%) areas. Attaining secondary education is common, at around 40%, in both settings. Rural youth are much less likely to complete higher education (17%) than urban youth (38%), and far less likely to have parents with secondary and higher education if they do complete higher education (5% rural versus 22% urban). While females are more likely to have less than secondary education (36%) compared to males (32%), urban females actually have higher educational attainment than urban males. This trend can be expected to spread to rural areas over time, as the opportunity costs of young women's time to pursue education are lower and access to education for women continues to improve.

The education transitions of youth have evolved substantially over the past generation in Egypt. Figure 1 compares males and females aged 25-34 to adults who were 45-54 in 2012 in terms of the educational and social background taxonomy we propose. The share of males with less than secondary education is 53% among the 45-54 year-olds, in contrast to 32% among 25-34 year-olds. The greatest expansion across the two generations has been in secondary education, the share of which increased from 24% to 43% for males. The share of males with higher education has shifted only slightly, from 22% to 25%, but, as expected, a greater share of younger males with higher education also have fathers with secondary education or higher. Females exhibit a similar pattern, but have experienced a more dramatic shift into education, as indicated by the more rapid decline in the share of females with less than secondary education. While over two thirds of the older generation of women had less than secondary education, about the same proportion of the younger generation now has secondary education or higher. This dramatic shift in educational outcomes across a single generation is undoubtedly a primary driver of the shift in expectations in favor of a modern transition to adulthood. If we take achieving a secondary or higher education as the measure of a successful modern educational transition, only 38% of the older generation (45-54) made such a transition, but 66% of the youth generation (25-34) did so—and more recent cohorts are even more likely to have achieved that level of education.

We argue that our taxonomy combining a youth's own education with the educational attainment of his or her father accurately captures the socio-economic gradient in Egypt. To demonstrate this, we examine in Figure 2 the degree to which our taxonomy correlates with parental wealth,^{iv} as captured by previous rounds of the ELMPS for youth who were tracked over time.^v We use parents' wealth in 2006 for individuals 25-34 in 2012 who were living with their

parents and whose parents were heads of households in 2006 (when they would have been 19-28).^{vi} The vast majority (68%) of those with less than secondary education are from the bottom two wealth quintiles. Just 4% are from the richest fifth of households and 10% from the second richest wealth quintile. Youth with secondary education are mostly from the lower-middle of the wealth distribution, with 69% from the bottom three wealth levels, but 13% from the richest fifth of households and 18% from the fourth wealth quintile. Individuals with higher education but less educated fathers are from the upper-middle end of the wealth distribution. Although 26% are from the bottom two wealth quintiles, the remaining 74% are fairly equally distributed across the top three wealth quintiles. Those with higher education and more educated fathers are by far the most privileged segment of youth. Almost two-thirds (65%) come from the richest wealth quintile, and 21% from the fourth wealth quintile. Only 10% are from the middle wealth quintile, 4% from the second, and less than 1% from the poorest wealth quintile. The education taxonomy we use thus represents a strong socio-economic gradient and demarcation of privilege for youth.

By construction, our higher education categories take into consideration parents' education. Nevertheless, because parents' education is highly predictive of their children's education, the lower categories in our educational taxonomy are also strongly associated with parental education as a measure of socio-economic class and privilege. Figure 3 shows the relationship between young people's own educational attainment and that of their father. Among youth with less than secondary, 74% had illiterate fathers, and most of the rest (16%) had fathers who were literate, but had no formal certificate. Half of the youth with secondary education (49%) had illiterate fathers, 22% had fathers that could only read and write, 15% had fathers with basic education, and only 10% had fathers with a similar level of education (secondary). As youth almost always achieve an education level equal to or higher than that of their parents, only

4% of secondary educated youth have a father with higher than secondary education. Among youth with higher education but less educated fathers, 41% had illiterate fathers, 29% had fathers who could only read and write, and 31% had fathers with basic education. Most of those with higher education and more educated fathers had fathers with higher education (60%) and the remaining 40% had fathers with secondary education. Youth who completed higher education but have less educated fathers are fairly similar to those who achieved secondary education in terms of father's education, although they tend to have somewhat wealthier parents.^{vii}

3 Work Transitions and Privilege

3.1 Work Transitions

The second key transition in the lives of youth is the transition into work. We distinguish between seven different outcomes for work transitions, and discuss in a later section how periods of unemployment may precede or mediate these transitions. The seven work outcomes are defined based on the type of first job (if any) a young person has engaged in for at least six months. The types are (1) working in a family business or farm (identified as self-employment, being an employer, or engaging in unpaid work for the family) (2) irregular wage work (intermittent or seasonal wage work) (3) informal^{viii} but regular wage work in an informal firm^{ix} (4) informal but regular wage work in a formal firm (5) formal wage work in the private sector (6) wage work in the public sector, essentially all of which is formal, or (7) no work (not yet having worked by the time of the survey). In general, we consider working in a family business or as an irregular laborer as the archetype of the traditional transition to work. Within regular wage work, public sector (government or public enterprise) work is preferred by youth (Barsoum, 2015) and has long been considered the best route to a modern work transition. Formal wage

work in the private sector is a viable alternative to formal public sector wage work, as it still offers crucial benefits (that come along with a legal contract or social insurance), but averages longer hours of work (Assaad & Krafft, 2015c) and is often hard to obtain without the requisite family connections.

We consider obtaining a first job that is formal—either in the public or private sectors—to be a successful modern transition. Informal wage work lacks the security or benefits of formal work. Individuals who start as informal but regular wage workers in informal firms have limited chances of formalizing over time, and can do so only by switching firms. In contrast, individuals who start as informal workers within formal firms have a much greater chance of later becoming formal (Roushdy & Selwaness, 2015). Therefore, while we consider first employment in informal wage work to generally be an unsuccessful modern transition, individuals who start in informal wage work but work in formal firms may in the long term have a good chance of securing formal employment and making a delayed but successful employment transition.

The work transitions (Figure 4) exhibit much stronger gender differences than the educational trajectories discussed above. The most common pattern for females is not to work at all (72%), a trajectory observed for very few males (4%) in the 25-34 age group. The most common first job status for males is a regular informal wage job in an informal firm (28%), followed by irregular wage work (27%) and work in a family business (19%). The most common work status among females is formal public sector work (10%), followed by regular informal wage work in an informal firm (6%) and work in a family business (6%).

There are substantial urban/rural differences in first employment statuses. Among males, family businesses or farms are more common forms of first employment for rural youth (24%) than for urban youth (12%). Irregular wage work is also a far more common form of first

employment for rural males (35%) than for urban males (17%). In contrast, urban males are more likely (34%) than rural males (23%) to be engaged in regular informal wage work in an informal firm in their first job. About a quarter (24%) of urban males obtain formal work in their first job (14% in formal private, 10% in formal public), compared to just 13% of rural males (6% in formal private, 7% in formal public). Rural females are more likely to have never engaged in market work (75%) than urban females (67%). While 18% of urban females got formal jobs in their first employment (12% in formal public sector work, 5% in formal private sector work), just 9% of rural females do (with 7% in formal public sector work and just 2% in formal private sector work). Notably, the percentage of females in formal work as a first employment status is only slightly lower than that of males, but public sector work is more common among females. Although young females tend to select out of less desirable forms of employment by not working at all, 11% of urban females engage in regular informal wage work and 8% of rural females work in a family business or farm.

3.2 The Relationship between Privilege and the Transition to Work

The taxonomy of youth, based on their education trajectories and social class, is strongly associated with the type of first work they obtain. Education shapes both youth work aspirations and options; for instance, most formal work, especially public sector work, requires at least a secondary degree. For many years in Egypt, achieving secondary or higher education in fact guaranteed public sector employment for young people (Amer, 2009; Assaad, 1997, 2009).

Youth with less than secondary education consistently engage in traditional employment trajectories (Figure 5). Males with less than secondary education move into family businesses or farms (21%), irregular wage work (38%) and regular informal wage work in informal firms

(32%). Just 3% find formal first jobs. For the most part, females 25-34 with less than secondary education have not worked by the time of the survey (81%) and will probably never enter the market labor force, but 10% worked in family businesses or farms in their first jobs and 5% in regular informal wage work in informal firms. Youth with less than a secondary education have essentially no chance and no expectation of achieving a modern employment transition through formal employment. They transition into traditional roles, working informally or in a family business, if they are males, and not participating in the labor force at all, if they are females.

Youth with secondary and higher education aspire to obtain formal jobs as indicated by long periods of job search, but they actually obtain such jobs with varying degrees of success. Secondary educated males in 2012 were unlikely to obtain a formal first job (only 14% do, 6% in the public sector and 8% in the private sector), and primarily engaged in regular informal wage work (33%; 28% in informal firms and 5% in formal firms), followed by irregular wage work (29%) or family businesses or farms (21%). Notably, while the percentage in family businesses or farms and regular informal wage work is similar for secondary and less than secondary males, secondary educated males are substantially less likely to engage in irregular wage work, the most precarious form of employment in Egypt. Secondary educated females also have limited success in making modern employment transitions. Just 10% find formal jobs as their first employment status, 6% in the public sector and 3% in the private sector. Regular informal wage work in informal firms is also common (7%) and so is employment in family businesses (4%).

Youth with higher education ought to be equally qualified and able to make modern employment transitions regardless of their parents' background, but this is not the case in Egypt. Socio-economic background, as measured by father's education, plays an important role in mediating modern employment transitions for youth with higher education. For instance, among

males with higher education, those with less educated fathers have a 35% chance of obtaining a formal first job, compared to 53% of those whose fathers have secondary or higher education. While a disparity exists in their ability to find a public sector job (19% for the less privileged, 24% for the more privileged), the disparity is much larger in finding private sector formal work (16% for the less privileged, 28% for the more privileged). This suggests that while class and connections may make the public sector deviate from meritocracy, it is particularly in the private sector that social background matters the most. Other work has demonstrated that there are direct effects of social background in the labor market, even after accounting for potential differences in the type or quality of human capital (Assaad, Krafft, & Salehi-Isfahani, 2014). This direct labor market impact of social background is likely to present a substantial and ongoing challenge to socio-economic mobility as the economy continues to shift toward greater reliance on the private sector for employment creation.^x

Males with higher education and less educated fathers are more likely to work in a family business or farm, irregular wage work, or regular informal wage work than those with more educated fathers. Privilege also affects prospects for eventually obtaining formal work among those who do not succeed in their first job. Among those with higher education working in regular informal wage work, 25% of the less privileged are in formal firms compared to 30% of the more privileged. Even some of the more traditional transitions—such as working in a family business—may also be substantially different for males from a more privileged background than those for less privileged youth. For instance, if a youth has an educated father who owns a business, working in that business may appear as a traditional transition, but one that is likely to offer substantially better rewards, than for a youth whose less educated father may also own a business or a farm.

Socio-economic status also plays an enormous role in determining employment outcomes for females with higher education. Among those with less educated fathers only 26% find formal first jobs (22% in the public sector and 4% in the private sector) compared to 42% of those with more educated fathers (32% in the public sector and 11% in the private sector). As was the case for males, females with higher education from more privileged backgrounds have better access to both public and private sector jobs, but their advantage is more pronounced in the private sector. Around 10% of females with higher education engage in informal regular wage work, regardless of privilege, and almost all the remainder have not yet worked. Thus, unlike males who must settle for inferior forms of employment if they are unable to undertake a successful transition, most women who do not succeed in obtaining formal (preferably public) jobs will simply select out of the labor market altogether and engage in traditional gender roles as home makers. A more privileged social background is therefore critical to young people's ability to undertake a successful modern transition to employment even if they attain higher education. Those from less privileged backgrounds must either settle for informal work (for men) or non-participation (for women).

The struggle of youth with a secondary education or higher to make a successful modern employment transition (i.e. into a formal job) is a relatively new phenomenon in Egypt. Figure 5 compares the work transitions of 25-34 year-olds with those in their parents' generation, the group of 45-54 year-olds, according to the same educational/socio-economic taxonomy, keeping in mind that we are referring to the transition to first employment for the older generation as well. Despite their substantially higher educational attainment, the youth generation faces poorer chances of accessing formal work. While 18% of 25-34 year old males found formal first jobs,

28% of 45-54 year-olds had formal first jobs. For females the share with formal first jobs has declined from 20% to 14% across generations.

Those with traditional educational trajectories have seen little change across generations. Among males with less than secondary education, there is a somewhat higher chance (38%) of a 25-34 year old being an irregular wage worker in their first job compared to a 45-54 year old (30%). The younger generation of less educated males also has a greater chance of being an informal regular wage worker (35%) compared to the older generation (30%). Formal wage work and participation in a family business, on the other hand, are less likely first employment statuses for less educated younger males than for their older counterparts. Females with less than secondary education generally do not engage in market work in either generation, with 81% of this group not working among 25-34 year-olds and 77% not working among 45-54 year-olds. The less educated are essentially facing the same traditional employment trajectory across the two generations and for both sexes.

The story is very different for those with secondary education. Among 25-34 year-old males with secondary education, just 13% obtained a formal first job, compared to 41% of those 45-54 in 2012. The older generation of males was more likely to find both public sector and private sector formal jobs, although public sector jobs were far more prevalent for the older generation (29%) than the younger one (6%). Secondary educated males 25-34 are much more likely to have started off in irregular or informal wage work than the older generation. As secondary education has become more common, the creation of high-quality jobs for secondary educated graduates has not kept up with the increasing supply of graduates.

There are also substantial differences in comparing those with higher education, especially those with higher education but from less privileged backgrounds. Males 25-34 in this

group have a 35% chance of having a first job that is formal (19% public sector, 16% private sector), compared to a 58% chance in the 45-54 year-old-group (46% public sector, 12% private sector). Smaller changes are observed for males with higher education whose fathers had secondary or higher education. Although their chances of obtaining formal employment have fallen from 65% (45-54 years old) to 52% (25-34 years old), the decline is proportionately much smaller than for their less privileged counterparts. Nearly all the observed decline among this more privileged group is in public sector work; the share first employed in formal private sector work has remained essentially stable across generations at around 27-28%. While the less privileged but highly educated group actually used to have a higher chance of public sector work (46%) than their more privileged peers (38%), this pattern has reversed among the younger generation. The public sector used to provide educated but less privileged males with access to modern employment and middle class life, but this role has shrunk dramatically, substantially reducing the value of education as a means to achieve upward social mobility.

The changes in the opportunity structure across generations facing educated females are even more dramatic than those for males. While the older generation of females with secondary education had a 57% chance of having a first job that was formal (almost always in the public sector), and very minimal chances of other types of work, the younger generation has only a 10% chance of formal work (6% in the public sector).^{xi} Among the older generation of women, higher education afforded equal opportunities for formal employment (68%, almost all in the public sector) regardless of father's education. This is no longer the case for the younger generation. Female university graduates with less educated fathers in the younger generation have only a 26% chance of formal work, compared to 42% for those with more educated fathers. Both of

these rates represent reduced opportunities compared to the older generation, but opportunities now are not just dependent on one's own education but on socio-economic class as well.

Because of the substantial expansion of education in Egypt over the past three decades, the educated among the 25-34 year olds are a less select group than among the 45-54 year olds. Despite this expansion in education, young people who achieve at least a secondary education are still expecting to have equal, if not better chances of accessing modern, formal employment compared to their parents' generation, and through that to gain access to the middle class. It is quite clear, however, that these expectations are no longer being met. While only 38% of 45-54 year-olds achieved at least a secondary education, 55% of those obtained modern, formal employment in their first job. In contrast, while 66% of 25-34 year-olds achieved that level of education, just 22% of those succeeded in undertaking modern employment transitions, as indicated by the acquisition of formal jobs.

With the decline in public sector employment opportunities, there has been a substantial contraction in formal employment opportunities for youth, especially for youth with secondary education, and those with higher education but from less privileged backgrounds. Education has been devalued in the face of a rapidly increasing supply of educated individuals^{xii} and limited expansion in demand for educated labor.^{xiii} This is partly manifested in the substantial declines in returns to schooling in Egypt over time (Said, 2015; Salehi-Isfahani, Tunali, & Assaad, 2009).

Whether youth meet their aspirations for modern transitions to adulthood or fail to meet them increasingly depends on their socio-economic background and less on their own educational attainment. Even youth with the same level of education experience very different labor market outcomes depending on their social connections and class. Comparing youth with higher education in two specific fields of study, a study on Egypt and Jordan found that even

after accounting for differences in the quality of education they received, Egyptian youth from more privileged backgrounds were more likely to obtain a formal job and earn higher wages both in their first job and even more so after five years of employment (Assaad, Krafft, & Salehi-Isfahani, 2014). Faced with muddled signals from the education system, private sector employers in Egypt appear to use social class markers as a way to distinguish among the multitude of applicants they receive.

4 Incidence and Duration of Unemployment

While youth who make traditional transitions to work, for instance to family businesses, are unlikely to experience a period of unemployment, youth who aspire to modern, formal employment may experience time in unemployment as they seek out formal work opportunities. Youth unemployment is an essential indicator of waithood, as it delays the transition to work and may in turn delay the transition to marriage. This section examines the incidence and duration of unemployment in Egypt, how it intersects with the youth taxonomy and privilege, and how the incidence of unemployment and unemployment duration have evolved over time.

4.1 The Nature of Unemployment

Unemployment in Egypt is primarily an educated new entrant phenomenon among those searching for formal work for the first time. It is important to note that female labor force participation overall is quite low, just 23.1% among 15-64 year-olds in 2012 and, as we shall see below, a substantial proportion of those who participate are in fact seeking work rather than working. Figure 6 shows the standard (search required) market unemployment rate by age and sex in Egypt.^{xiv} Unemployment rates are highest among new entrants, especially females.

Unemployment rates for females in their early twenties peak above 50%, while for males the rate peaks above 10%. After age 30, the unemployment rate falls below 5% for males. For females the unemployment rate declines with age but remains high until past age 40.

4.2 Unemployment, Education and Privilege

Unemployment is primarily associated with modern educational trajectories and attempts to access formal employment. Figure 7 shows current unemployment rates among youth 15-24 and 25-34 by the youth taxonomy. The unemployment rate for youth with a less than secondary education is at most 5% for males and around 10% for females. Among those with a secondary education, the male unemployment rate for 15-24 year-olds is 11.1%, while the female unemployment rate soars to 64.7%. Among secondary educated males 25-34, unemployment is relatively low at 5.1%, but for secondary educated females 25-34 the unemployment rate remains high at 52.8%.

Males with higher education but less educated fathers have an unemployment rate of 16.6% at ages 15-24, which falls to 6.0% by ages 25-34, roughly similar to that of secondary graduates. Males with higher education and more educated fathers have a very high unemployment rate initially, 35.1% among 15-24 year olds, falling to 10.2% among 25-34 year-olds, representing both the higher expectations these young men have for obtaining formal employment and the ability of their families to support them while they search for such work. Among females, those with higher education, especially those with more educated parents, have slightly lower (but still high) unemployment rates compared to those with secondary education, 60.9% for 15-24 year-old higher educated females with less educated fathers (37.5% for 25-34 year-olds) and 53.4% for 15-24 year-old higher educated females with more educated fathers

(falling to 24.0% among 25-34 year-olds). The lower unemployment rate for female higher education graduates from more privileged backgrounds, and particularly the larger decrease in unemployment they experience as they age is in part because the more privileged are more successful at finding formal work than those from less privileged backgrounds (see Figure 5).

Essentially, males from less privileged backgrounds, those with secondary education or higher education but less educated parents, cannot afford to remain jobless while searching for a job in the same fashion as males with higher education and more educated parents. Informal jobs are also more of an option for males than for females. It is those males who do not want bad jobs and who have families who can support them while searching who have the highest rates of unemployment. For females, since they have the outside option of non-employment, searching is a viable strategy for those with secondary and higher education, but those with higher education and especially those with higher education and more educated parents are ultimately more successful at finding employment, especially formal employment (see Figure 5). Females from less privileged backgrounds are less successful at finding the good, formal jobs they aspire to and have few socially acceptable informal work options, with the result that they have persistently higher unemployment rates.

Education and privilege are closely related to both the probability of becoming unemployed (the incidence of unemployment) as well as the duration of unemployment (Table 2) once one becomes unemployed. Figure 8 shows the percentage of youth who experienced unemployment before work among those who did eventually work. Notably, for females, unemployment rates (Figure 7) are higher than the incidence of unemployment (Figure 8) because so many women ultimately give up and never work (see Figure 9). Those who experience unemployment before their first job are almost exclusively those attempting a modern

transition. While just 4% of males and females with less than secondary education, who ultimately work, experienced unemployment prior to their first job, 17% of secondary educated males and 31% of secondary educated females, who ultimately work, experienced unemployment. Among males with higher education, while 23% of those from less privileged backgrounds experienced unemployment, 27% of more privileged males did so, likely due to greater expectations for finding formal jobs and a greater chance of familial support during the unemployment period. Among females with higher education, those who ultimately work and come from less privileged backgrounds have a 37% chance of unemployment prior to work, compared to just 29% for more privileged graduates. Those with higher education and privileged backgrounds have even lower chances than those with secondary schooling of experiencing unemployment prior to work. For females, privilege seems to help those women who ultimately work in avoiding unemployment, while particularly for educated but less privileged women, a period of unemployment is often a key phase in the work transition.

Table 2 shows the median duration of unemployment before the start of the first job for those who experienced unemployment before transitioning into work. It is important to note that for females, many of those who experience long unemployment durations may give up and never work, and are therefore not included here. Those few males and females with less than secondary education who do experience unemployment experience longer durations, almost four years for males and six years for females. These are, however, very atypical trajectories for this group, which rarely experiences unemployment. Unemployment is more common among those with secondary education, and they have somewhat longer than typical unemployment durations, with males having median unemployment durations of almost three years, and females almost four years. These durations represent the long struggles to obtain modern employment and are a

classical form of waithood. For males with higher education, median unemployment durations are two years long regardless of father's education. For females with higher education, median unemployment durations are longer, almost three years, for those with less educated fathers, and two years for those with educated fathers. Since females who cannot obtain formal work in this group will largely select out of work, these longer durations likely represent difficulty obtaining formal jobs for those females with higher education but from less privileged backgrounds. These patterns in duration of unemployment are similar across both urban and rural areas. Overall, while privileged individuals are more likely to enter unemployment, they have more rapid exits from unemployment, likely facilitated by their social networks.

4.3 Unemployment, Employment, or Exiting the Labor Force

Privilege intersects with ever attaining employment for unemployed female youth in Egypt. Exploiting the fact that the ELMPS data are panel data, Figure 9 presents the percentage of those who were unemployed in 2006 who had ever worked as of 2012, and who remained unemployed in 2012 by the education/social class taxonomy. Essentially, all males who were unemployed in 2006 had worked by the end of those six years. Among females who were unemployed in 2006, none of the less educated had ever worked by 2012, and none remained unemployed. Among females with a secondary education who had been looking for work in 2006, only 18% had ever worked by 2012, and an equal percentage remained unemployed. The rest had given up on seeking work and dropped out of the labor force. Although 40% of those with higher education and less educated fathers had worked by 2012, 29% were still unemployed. The most privileged were the most successful in transitioning to work, with 51% of those with higher education and educated fathers who were unemployed in 2006 having ever worked by

2012. Additionally, only 13% of this group remained unemployed, less than other secondary and higher education graduates. Besides the concerning fact that only 27% of all women who were unemployed in 2006 had ever worked by 2012, and 12% were still unemployed, it is clear that socio-economic background plays a key role in whether individuals find work, leave the labor force, or remain unemployed.

4.4 Unemployment and Work Outcomes

Those who experience a period of unemployment before work are primarily those who seek formal employment, one illustration of queuing behavior in the Egyptian economy. Figure 10 shows the percentage of youth who experienced unemployment prior to their first job by the type of first job they end up getting. Few males or females who start in family businesses or irregular wage work experienced unemployment prior to their first job. Unemployment is much more common for those who obtain regular informal jobs in informal firms (who likely were seeking formal work but failed to find it) and especially formal jobs and informal jobs in formal firms. More than a quarter of males (28-29%) who obtained formal first jobs experienced unemployment, and around a third of females (27% in the private sector, 36% in the public sector). Seeking modern, formal employment often requires a period of job search or queuing.

Although an individual's type of first work is closely related to his or her chances of experiencing unemployment prior to the first job, conditional on experiencing this unemployment, durations of unemployment are similar (Table 3). Males have a median unemployment duration of around two years and females three years. Among those who obtain formal jobs, those who end up in the public sector would have spent more time unemployed than those who end up in the private sector. The individuals who search for a long time and end up in

non-formal jobs are most likely taking their fallback positions when giving up on formal employment; it is unlikely that individuals who ended up in a family business after searching for formal employment opportunities would have had to wait for such an opportunity.

4.5 Evolution of Unemployment over Time

Unemployment rates, incidences and durations have changed over time in Egypt. As shown in Figure 11, unemployment rates have been declining over time for males, from 19.6% for 15-24 year-olds in 1998 to 13.9% in 2006 and 10.7% in 2012. Male youth 25-34 have also seen declines in their unemployment rate, from 7.1% in 1998 to 5.0% in 2012. For young females 15-24, unemployment rates decreased substantially from 59.9% in 1998 to 39.4% in 2006 before rising again to 49.9% in 2012. This means that *half* of female youth 15-24 who are in the labor force are unemployed. Unemployment rates are also high for females 25-34, and are higher for this age group (35.8%) in 2012 than either of the previous survey years. These patterns may be a reflection of how challenges with achieving a modern transition have diverged along gender lines. Recognizing the need to transition to employment to fulfill their adult roles, males have increasingly accepted informal employment as a fallback. Young women have responded to the decline in acceptable employment opportunities by either continuing to queue for public sector jobs or by withdrawing from the labor force altogether, falling back on their traditional adult roles as homemakers.

The evolution of the proportion of youth experiencing unemployment before work has intersected with gender and privilege (Figure 12). For males, although the unemployment rate has been declining over time, there has been an increase in the share of males who experience unemployment before work. This is particularly true for males with secondary education or

males with higher education. The stagnation in the share experiencing unemployment among secondary educated males from 2006 to 2012 may be due to males who are less privileged deciding to not even attempt to seek a formal job. Because so many women leave the labor force without ever working, those who experience unemployment before work are a select group among females. For females, there was a large increase in the share experiencing unemployment before work from 1998 to 2006 and a further increase by 2012. Secondary educated females and females with higher education but less educated parents had similar experiences in 2006 and 2012, while the chances of experiencing unemployment before work went down slightly for the most privileged females.

Very much in line with the evolution of unemployment rates, the duration of unemployment before first employment has also been changing over time (Figure 13). Back in 1998, when unemployment rates were higher, unemployment durations were also longer. In 2006, when unemployment had decreased substantially, unemployment durations declined. In 2012, when male unemployment remained essentially static so too did males' unemployment duration, while females, experiencing higher unemployment rates, were also experiencing longer unemployment durations.

5 Historical Forces, Assessing the Current Landscape, and Planning a Way Forward

Egyptian youth have experienced rapid increases in educational attainment. Although the quality of the education they have attained is poor, achieving at least an upper secondary degree is increasingly the norm. Where youth are now struggling is in the labor market, in finding jobs, especially formal jobs, that will then facilitate their ability to marry and form an independent household (Assaad, Binzel, & Gadallah, 2010; Assaad & Krafft, 2015a). This section discusses a

number of historical and current features of the Egyptian labor market that play a key role in determining whether youth who have experienced modern educational trajectories expect and experience modern employment trajectories. We also propose policies that could assist youth in making more successful transitions that better correspond to their aspirations.

The legacy of decades of public sector employment guarantees includes an education system that is focused on credentials, rather than quality, human capital or skills (Assaad, 2014; Salehi-Isfahani, 2012; World Bank, 2013). Because these credentials are very imperfect signals of graduates' productivity or skill set, employers have limited options for evaluating new hires and have increasingly relied on class markers as signals of productivity and skills. Essentially, more privileged youth have cultural and social capital they can draw on to access the few good jobs that are available in the private sector (Barsoum, 2004; Bourdieu, 2010).

A particular problem with the education system is that vocational secondary education (the most common degree in Egypt) does not provide useful skills to graduates. It is extremely difficult to make vocational education responsive to the needs of the current labor market, much less the needs of employers in future decades (OECD/The World Bank, 2010; Population Council, 2011; UNDP & Institute of National Planning, 2010; World Bank, 2008). Therefore, vocational education should be de-emphasized and general skills emphasized within the education system. Education quality, particularly pedagogy, also needs serious upgrading throughout the education system, as rote memorization is the norm in Egypt as in many MENA countries (Population Council, 2011; World Bank, 2008). Implementing improvements in quality will require making schools and teachers more accountable, decentralizing some of the authority of the education systems. Paying teachers for improvements in student performance and

providing local oversight (for instance, through school boards) are promising mechanisms for increasing accountability and responsiveness (World Bank, 2008).

The challenges youth face translating education into labor market success are due in part to changing patterns of labor demand, especially changes in demand affecting educated labor. This is essentially due to the failure of the Egyptian economy to make the transition from a state-led model of development to a market-led model with a vigorous, competitive private sector that is also able to compete in the global economy. Instead, the Egyptian private sector is dominated by micro and small enterprises (Assaad & Krafft, 2015c) that are unable to grow and that prefer to remain in the shadows of informality rather than face the high and generally unaffordable costs for a small entity associated with being formal. On the other side of the spectrum are large private sector firms benefiting from cronyism and privileged access to subsidized energy and capital, firms that operate in an essentially non-competitive environment with few incentives to create jobs (Diwan, Keefer, & Schiffbauer, 2014) or distribute those jobs based on productivity and ability. Labor demand is also affected by a number of economic policies that distort the economy in favor of capital over labor, specifically subsidies for energy and fuel coupled with rigid labor market regulations (World Bank, 2013).

A necessary condition for improving labor market prospects for youth is to transform this distorted and dualistic investment climate into one that encourages dynamic private sector enterprises that can compete globally and thus rapidly increase the demand for labor in the Egyptian economy. Given the problems in the landscape of labor demand and the evidence from the region, we specifically recommend against active labor market policies (ALMPs). ALMPs are very unlikely to be effective in promoting youth transitions without addressing the large number of other underlying problems in the labor market and education system (Broecke, 2013;

Groh, Krishnan, McKenzie, & Vishwanath, 2012; Groh, McKenzie, Shammout, & Vishwanath, 2014; Krafft & Assaad, 2015).

Policies that allow women to reconcile work and marriage are particularly important; one of the reasons unemployment rates among women are so high is that women seek public sector jobs, which include substantial maternity leaves and shorter hours (Assaad & El-Hamidi, 2009). Policies and programs that make private sector work more easily reconciled with women's domestic responsibilities are vital to preventing the transitions to work and family formation from being mutually exclusive for women. Provision of child care, safe transportation, and safety in both public and work spaces in general are important steps for women's ability to engage in work in the private sector. Flexible work options, such as work from home and part-time work, also need to be encouraged to provide women with opportunities to reconcile domestic responsibilities with work (Krafft & Assaad, 2015).

6 Conclusions

Youth in Egypt are increasingly attaining high levels of education and have rising expectations for achieving middle class status primarily by accessing formal employment. Some Egyptian youth continue to experience traditional transitions from school to work, but those who attain secondary education or above and who strive to achieve a modern transition to adulthood are increasingly struggling. We have illustrated, for the case of Egypt, using a life course perspective, how the inter-linkages between different transitions and the transitions themselves are mediated by gender and privilege. The low quality of human capital, the disinterest of youth in the private sector, and the political orientations and economic policies that have precluded the growth of a robust private sector have left Egypt with a shrinking pool of desirable jobs at a time

of rising expectations. In this increasingly pressurized environment family resources and connections play a decisive role in whether the aspirations of youth are achieved, evidenced here and elsewhere as a decline in social mobility (Binzel, 2011). This trend contributed to the sense of social injustice articulated in the Arab Spring and the involvement of middle class youth in protest movements (Binzel & Carvalho, 2013; Joffé, 2011; Kandil, 2012; Kuhn, 2012; Malik & Awadallah, 2013; Pace & Cavatorta, 2012; Richards, Waterbury, Cammett, & Diwan, 2014).

As youth in Egypt have achieved higher educational attainment, their ability to undertake successful transitions to adulthood that live up to their heightened aspirations continues to be strongly conditioned by gender and social class. Much of the focus of public discourse in recent years has been on youth unemployment, which neglects the experiences of youth who do not or cannot afford to search for modern employment. More attention needs to be paid to the experiences of youth continuing to experience a more traditional transition pattern, or those obtaining higher levels of education but losing hope of being able to transform their education into higher quality employment. This is especially true of young women who are increasingly giving up on employment altogether.

Particularly important in promoting the wellbeing of youth is improving employment opportunities through more dynamic, growing economies that can be globally competitive. It is also necessary to reform the many institutions—especially in the education system and the labor market—that have limited opportunities for youth and confined success to those with more family resources and privilege. The structures that have limited access to higher education to privileged youth and emphasized credentials and social networks in the labor market at the expense of skills, ability and effort have contributed to this state of affairs. Ultimately, however, it will not be sufficient to simply redistribute access to existing opportunities, but it is also

imperative that the Egyptian economy creates more and better opportunities for youth by becoming more dynamic and globally competitive.

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Figures

Figure 1. Taxonomy across Generations (Ages 25-34 vs. 45-54) and by Sex, Egypt, 2012

Source: Authors' calculations using ELMPS 2012

Figure 2. Youth Taxonomy and Parents' Wealth in 2006, Ages 25-34, Egypt, 2012

Source: Authors' calculations using ELMPS 2006, 2012

Notes: Youth 25-34 in 2012, restricted to youth who were living with their parents and whose parents were household heads in 2006.

Figure 3. Youth Taxonomy and Father's Education, Ages 25-34, Egypt, 2012

Source: Authors' calculations using ELMPS 2012

Figure 4. The Pattern of First Work by Sex and Residence, Ages 25-34, Egypt, 2012

Source: Authors' calculations using ELMPS 2012

Figure 5. Relationship between Taxonomy and First Jobs, by Sex and Cohort, Egypt, 2012
Source: Authors' calculations using ELMPS 2012

Figure 6. Standard (Search Required) Market Unemployment Rate by Age and Sex, Egypt, 2012

Source: Authors' calculations using ELMPS 2012

Figure 7. Standard (Search Required) Market Unemployment Rate by Taxonomy and Sex, Ages 15-24 and 25-34, Egypt, 2012

Source: Authors' calculations using ELMPS 2012

Figure 8. Percentage Having Experienced Unemployment before First Job, Conditional on Having Ever Worked, by Taxonomy and Sex, Ages 25-34, Egypt, 2012

Source: Authors' calculations using ELMPS 2012

Figure 9. Employment (Ever Worked) and Unemployment Outcomes in 2012 for Individuals who were Unemployed in 2006 by Taxonomy, Ages 21-34 in 2012, Egypt

Source: Authors' calculations using ELMPS 2006, 2012

Figure 10. Percentage Experienced Unemployment before First Job by Type of First Job and Sex, Ages 25-34, Egypt, 2012

Source: Authors' calculations using ELMPS 2012

Figure 11. Standard (Search Required) Market Unemployment Rate by Sex and Age Group, Ages 15-24 vs. 25-34, Egypt, 1998, 2006, 2012

Source: Authors' calculations using ELMPS 2012

Figure 12. Percentage Having Experienced Unemployment before First Job Conditional on Having Ever Worked by Sex and Taxonomy, Ages 25-34, Egypt, 1998, 2006, 2012

Source: Authors' calculations using ELMPS 2012, 2006, 1998

Figure 13. Median Duration of Unemployment before First Job in Months, Conditional on being Unemployed before First Job, by Sex, Ages 25-34, Egypt, 1998, 2006, 2012

Source: Authors' calculations using ELMPS 2012

Note: 2006 and 1998 only allowed for durations in years.

Tables

Table 1. Taxonomy by Sex and Residence, Ages 25-34, Egypt, 2012 (Percentage)

| | Male | | | Female | | | Total | | |
|---------------------------|-------|-------|-------|--------|-------|-------|-------|-------|-------|
| | Urban | Rural | Total | Urban | Rural | Total | Urban | Rural | Total |
| Less than Secondary | 25.6 | 36.5 | 31.9 | 22.3 | 46.7 | 35.9 | 23.8 | 41.8 | 34.1 |
| Secondary | 39.3 | 45.0 | 42.5 | 37.8 | 38.3 | 38.1 | 38.5 | 41.5 | 40.3 |
| High. Ed., Father LT Sec. | 15.6 | 13.1 | 14.2 | 16.3 | 9.4 | 12.5 | 16.0 | 11.2 | 13.3 |
| High. Ed., Father Sec+ | 19.5 | 5.3 | 11.4 | 23.7 | 5.5 | 13.5 | 21.7 | 5.4 | 12.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Authors' calculations using ELMPS 2012

Table 2. Median Duration of Unemployment before First Job in Months, Conditional on Unemployment before First Job, by Taxonomy and Sex, Ages 25-34, Egypt, 2012

| | Male | Female |
|-----------------------|------|--------|
| Less than Secondary | 46 | 58 |
| Secondary | 33.5 | 44 |
| Higher Ed. FT LT Sec. | 24 | 33 |
| Higher Ed. FT Sec+ | 24 | 24 |
| Total | 25 | 36 |

Source: Authors' calculations using ELMPS 2012

Table 3. Median Duration of Unemployment before First Job in Months, Conditional on Unemployment before First Job, by Type of First Job and Sex, Ages 25-34, Egypt, 2012

| | Male | Female |
|-----------------------------------|------|--------|
| Family Business | 27 | 36 |
| Irregular Wage | 24 | (-) |
| Regular informal in informal firm | 31 | 36 |
| Regular informal in formal firm | 24 | 36 |
| Formal Private | 24 | 24 |
| Formal Public | 31 | 36 |
| Total | 25 | 36 |

Source: Authors' calculations using ELMPS 2012

Note: (-) denotes a statistic with too small a sample size to display.

ⁱ All of the ELMPSs are nationally representative once sample weights are applied. We use weights for all our descriptive statistics. See Assaad & Krafft (Assaad & Krafft, 2013) for more information on the ELMPS.

ⁱⁱ The analysis excludes individuals who are currently still in school, a very small percentage of 25-34 year olds.

ⁱⁱⁱ We did not see the need to distinguish the lower two categories by father's education since the vast majority of individuals in them have a father with less than secondary education (see Figure 3).

^{iv} Wealth is based on a factor analysis of an asset index of durable goods, a common approach (Filmer & Pritchett, 2001).

^v We do not use the contemporaneous wealth distribution since we wish to use wealth as a measure of social background rather than as an outcome of a youth's transition.

^{vi} About 56% of individuals 25-34 in 2012 who were present in both the 2006 and 2012 rounds of the ELMPS were living with their parents and their parents were the head of the household in 2006. We also check for similar patterns using 1998 parental wealth, when these individuals would have been 11-20, and 70% were living with their parents. Both instances provided a similar distribution of parental wealth by our proposed youth taxonomy.

^{vii} See Assaad (2013) for further evidence on the importance of family background in accessing higher education in Egypt.

^{viii} Formal wage work is defined as work that is accompanied by either a legal work contract (permanent or temporary) or social insurance coverage. If neither is present, the work is considered informal. While we focus throughout on the status of the first job, it is possible that after an informal first job, a young person may eventually access a formal job. This is, however, not the norm. The Egyptian labor market is very rigid, and the type of first employment has a strong impact on individuals' long-term employment trajectories (Assaad & Krafft, 2015c; Roushdy & Selwaness, 2015; Yassine, 2015).

^{ix} Being informal within an informal firm means that an individual has neither a legal work contract nor social insurance coverage, and nor does anyone else in the firm. Being informal within a formal firm means that an individual has neither a legal work contract nor social insurance coverage, but some of the other employees in the firm are formal (have contracts or social insurance).

^x See Barsoum (2004) for a discussion of how private sector employers in Egypt use class markers as indicators of worker quality.

^{xi} The percentage of women who starts work after age 30 is less than 20%, and late starts are more common for family businesses and irregular wage work than either informal or formal wage work. Comparing transition patterns over time (Amer, 2002, 2015), it is not the case that the older generation obtained their formal jobs after a much longer wait.

^{xii} From 1980 to 2010, the average number of years of schooling increased from 2.7 to 7.1 in Egypt, which counts among the top 20 largest increases in average years of schooling in the world in that 30-year period (Campante & Chor, 2012).

^{xiii} Migration may provide a potential route for men to (temporarily) improve their employment opportunities and facilitate a more modern transition, but opportunities to migrate are limited and cannot fully offset unequal opportunities within Egypt (Assaad & Krafft, 2014; Wahba, 2015).

^{xiv} Individuals are only considered unemployed under the standard market unemployment definition if they are not working, desire to work and are available for it and engaged in any one of fifteen search behaviors in the past three months, or registered with a ministry or government agency in the past year. The term “market” refers to the definition of the labor force used, which requires an individual to be engaged in market work or to be seeking such work.