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Future of Work in Egypt
Joining Forces for Tomorrow and Beyond

Work Arrangements in the Informal Sector and Gig Economy/Digital Platform Economy in Egypt

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Executive Summary

Global, regional, and local trends are constantly evolving and transforming the future of work. While there is data on irregularity, informality, and the gig economy on a global and, to some extent, regional level; the purpose of this report is to address this gap on a national level, more specifically in Egypt. Subsequently, advise policymakers, employers, and employees in making informed decisions regarding the future of work in Egypt. The research conducted in this report also takes into account both the supply and demand sides of employment. Additionally, this report provides an overview of informal work, irregular work, and the gig economy in the Egyptian labour market, as well as the challenges employers and employees face within them.

The outcome of the qualitative and quantitative research outlined in this report indicates that, firstly, on a qualitative level, due to the flexibility of hours and the possibility for higher salaries, informal workers sometimes prefer informal work to that formal work. Furthermore, there is a lack of legal awareness amongst informal workers when it comes to their ability to still participate in the state's social insurance system. On the other hand, employers sometimes prefer informal work also due to its relatively low cost in comparison to formal work. Also, the informal economy affects women differently as some women believe that they would lose out on state-provided social insurance programs should they accept formal employment.

When comes to the gig economy, qualitative research credits the rise of the gig economy in Egypt to several reasons, among which, the technological advancements, the prevalence of digital solutions, the ease of hiring, and the development of workers' skills, as well as the ability of workers to work for multiple companies, which allows them to increase their income. This report also highlights the limited nature of Egypt's technological infrastructure and lack of a legal framework for gig work as some of the main challenges being faced in Egypt's gig economy. Secondly, The Egyptian Labour Force Surveys (2009-2019) show that informal and irregular employment has been increasing over time. During 2019, employment in the informal economy reached 64% while irregular employment reached 21%. Although informal employment remains the highest among those with less than secondary education, it grows more rapidly among waged workers with secondary education, reaching more than 60% of them in 2019. Between the years 2012 and 2018. Also, tech-enabled employment has tripled, with a higher percentage among highly educated than those with secondary educated workers (22% and 7%, respectively).

The report concludes by offering a wide array of key recommendations to account for the rise in informality, irregularity, and the gig economy in Egypt. Among the recommendations is the conduction of further national research into gig work and the digital economy which will help in the creation of evidence-based policies that incorporate technological innovations in the gig economy. Additionally, the adoption of new curricula that close the gap between the education attained by workers and the skills required for the job itself will further stimulate the rise of the informal, irregular, and gig economies. The creation of specific social protection policies that can ensure worker safety and account for the change in the forms of employment, as well as the adoption of specific legislation or a regulatory framework that takes into account and protects workers in the gig economy, are other factors that account for the rise of these economies in Egypt.

INTRODUCTION

Originally borrowed from the music business where musicians performed gigs, the term ‘gig economy’ refers to an economic sector that is comprised of independent contractors that occupy short-term employment (i.e., gigs) and is simultaneously limited in their ability to expand and/or determine the scope of their work (Banik N., Padalkar M 2021).

Organizations are also part of the gig economy as they contract said workers for short-term commitments (*The Changing Nature of Work* 2). “Irregularity” or “irregular work” refers to day labour or seasonal work. "Informality”. The ILO (accessed: March 2022) has defined informality as “informal jobs [where] their employment relationship is, in law or practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (paid annual or sick leave, etc.)”.

Predicted to be worth $445 billion by 2023, the global gig economy serves as an important trend in shaping the future of work (Wasilwa and Maangi 2020). Additionally, the informal sector plays an important role in the future of work. Deemed a “defining characteristic of most developing economies” informal work can account for approximately 20 to 80 percent of the developing country’s labour force (Ulyssea 2020). In the Middle East alone, informality for youth is estimated at 71% of the labour force (Khalil and Megahed 5).

Irregularity, informality, and the gig economy in Egypt are undoubtedly affected by local, regional, and international changes. These changes include but are not limited to, COVID-19, economic downturns, civil and political unrest, and technological advancements. By looking at these trends, the recent changes, their global impact, and the challenges they constitute to the different players in the labour market, it is crucial for policymakers, employers, and employees to be aware of these transformations and their impact on labour markets and the future of work, to make informed decisions and cope with its ever-changing reality.

This report, firstly, presents a brief history of irregularity, informality, and the gig economy. Secondly, by outlining the challenges and key reasons for each phenomena’s respective rise, it discusses their implications on the Egyptian Labour market. Finally, the report concludes by providing key recommendations for policymakers, employers, and employees on the rise of informality, irregularity, and the gig economy in Egypt

Background on Literature Review

Various adjustment programs and reforms in Egypt contributed to the emergence of the informal sector (Ali and Najman 2016). During the Al-Sadat regime, several factors led to the emergence of the informal sector in Egypt. Firstly, the formal private sector was fully saturated with workers and was not able to absorb any further job seekers (Ali and Najman 2016). Secondly was the political situation back then in which Egypt was an involved party in the Yemen war and the war against Israel (Kassem 2009). Accordingly, a process of privatizing the public sector had taken place and led to the emergence of the informal sector.

Furthermore, while the post-revolution crisis affected the Egyptian labour market in a myriad of ways, it impacted informally employed workers; most notably by increasing the rates of involuntary part-time work (Assaad et al. 2019). Additionally, the post-revolution crisis also led to an increase in irregularity in employment (Assaad et al. 2019). This was evident by the increase of private informal wage employment in Egypt to 36% in 2019 of total waged and non-waged employment (Assaad et al. 2019). Moreover, according to the ILO (2021), employment in Egypt has been undergoing some structural changes. The share of the public sector of the overall employment continued to decrease reaching 26% in 2018. Accompanied by this decrease, formal wage employment decreased as well from 41% in 2012 to 37% in 2018. During the same period, the private informal wage employment with establishments increased from 13% to 16%, while the private informal wage employment outside establishments increased from 18% to 23%.

The numbers also indicated that youth were the ones among the highest in informal employment as they constituted two-thirds. Furthermore, research on informal employment demonstrates a U-shape pattern in respect of age i.e., amongst younger and older workers (Ulyssea 2020). Moreover, ILO (2021) determined that informality is closely linked to one's education level, as those with inadequate degrees or above standards are the most to suffer from informality.

Following the 2008 global financial crisis and subsequent increases in unemployment rates, many professionals and skilled employees began taking up short-term jobs to increase their income as part of the gig economy (Banik N. and Padalkar M 2021). While the gig economy includes contingent work i.e. short-term employment in the form of freelance or consulting; it also includes the platform work economy (*The Promise of Platform Work: Understanding the Ecosystem* 2020). This phenomenon is considered an opportunity for young people who are trying to secure themselves a place in the economic cycle. It uses the existing assets or capital that one owns and only needs an internet connection, with a click, one could start their whole business. Some would argue that these kinds of technologies offer a counter-narrative to harsh employment conditions and adds the element of flexibility in working hours and conditions. (Assaad et al.) On the other hand, the gig economy has many drawbacks that are hard to contain governments. As this is an emerging phenomenon, clear-cut regulations are not yet instituted, which poses questions on taxes and the kind of social security and benefits that these business models do not offer to their workers (Assaad et al. 2019) As previously mentioned, the gig economy is not a novel term. A common facet of the gig economy is the use of “digital labour platforms” (Jamie Woodcock and Mark Graham 2020). It also predicted that the future of the gig economy entails, by 2025, a third of all labour transactions will be conducted through the medium of digital platforms.

When it comes to assessing the role of the gig economy in Africa, it is important to note that there exists a lack of data on that front (Wasilwa and Maangi 2020). However, the presence of the gig economy in the MENA region has been expanding over time with an almost 25% growth rate per year (Herbert & Loudon 2020). When it comes to the nature of employment in the region, which is mostly self-based and precarious. It is fertile soil for many new businesses to emerge using ICT means (Mahroum 2021). However, it is important to note, that due to the intersectionality and novelty of assessing the gig economy, results provided on this topic are based on qualitative interviews with different stakeholders and employers. To have an insight into the numbers a proxy of tech-enabled employment has been used in the current report.

Data Methodology

A mixed method approach was applied to this study to analyze informality, irregularity, and the gig economy in Egypt, using both qualitative and quantitative data sources.

A. QUANTITATIVE DATA

For the quantitative analysis, nationally representative surveys of the Egyptian labour market were relied on, covering the period between 2009 and 2019. The several main sources of data are 1. Egypt Economic Census (EEC) for 2012/2013 and 2017/2018, 2. Egypt Labour Force Surveys (LFS) for the years 2009 to 2019, 3. Egypt Labour Market Panel Surveys (ELMPS) of 2012 and 2018 and, 4. In-depth interviews and focus groups.

B. QUALITATIVE DATA

To identify the most important challenges and opportunities that face the informal sector, especially when it comes to the gig economy in Egypt, a qualitative approach is applied in addition to the quantitative approach. While the quantitative analysis in this report relies on the supply side of labour in Egypt, the qualitative analysis tries to fill in some of the gaps on the labour demand side.

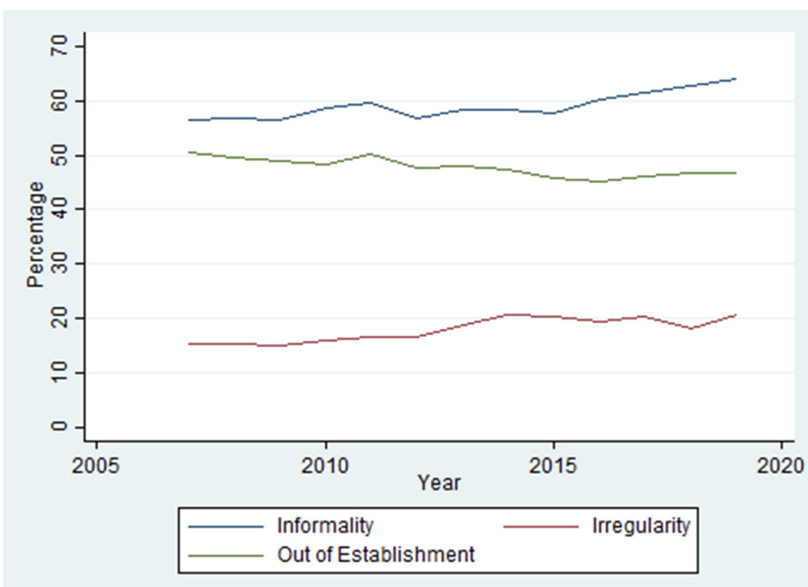
CHAPTER 1 Informal and Irregular Jobs: Status and Evolution in the Egyptian Labour Market

According to the latest insights, it is estimated that informality constitutes around 50% of the country's GDP and provides as much as 68% of new jobs (Soliman 2020). Both informal and irregular employment has been increasing during the last decade. By the year 2019, approximately two of every three waged workers are deprived of having social insurance 64% (**Figure 1**). It must be noted that informal work lacks contracts that document their rights and their duties, and workers do not necessarily get decent or stable wages (Assaad et al. 2019). By looking at the percentage of informal waged workers by their educational level through the years, it is clear that this form of employment is more prevalent among low-educated workers, however, is increasing fast among those with a secondary degree next to those with higher than a secondary degree (**Figure 2**).

Irregularity is a pressing issue in Egypt as numbers show that it reached 21% in 2019 (**Figure 1**). Furthermore, almost 46% of the waged workers work outside a fixed establishment, such as a private home, a field, a construction site, or on a moving vehicle (**Figure 1**)

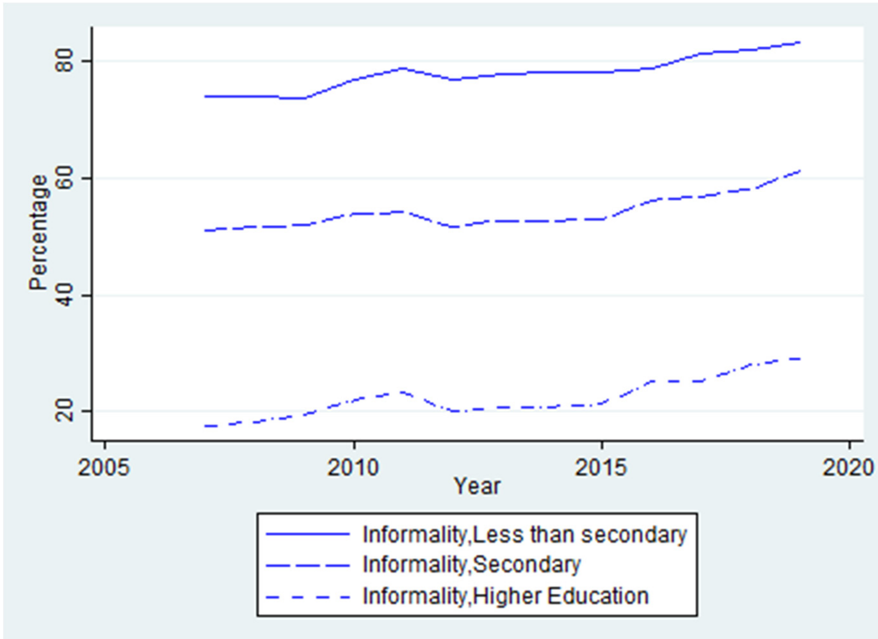
In addition, the major occupations that are fast growing in the last decade, are mainly jobs with a high percentage of informal waged workers, such as garbage collectors and labourers working in building construction (**Figure 3**). Furthermore, these occupations do not need beyond basic skills and educational attainments to be performed. This might explain in part why workers there are more susceptible to being informal.

Figure 1: Evolution of Informality, Irregularity, and Out of Establishment over the years 2007-2019(percentage)



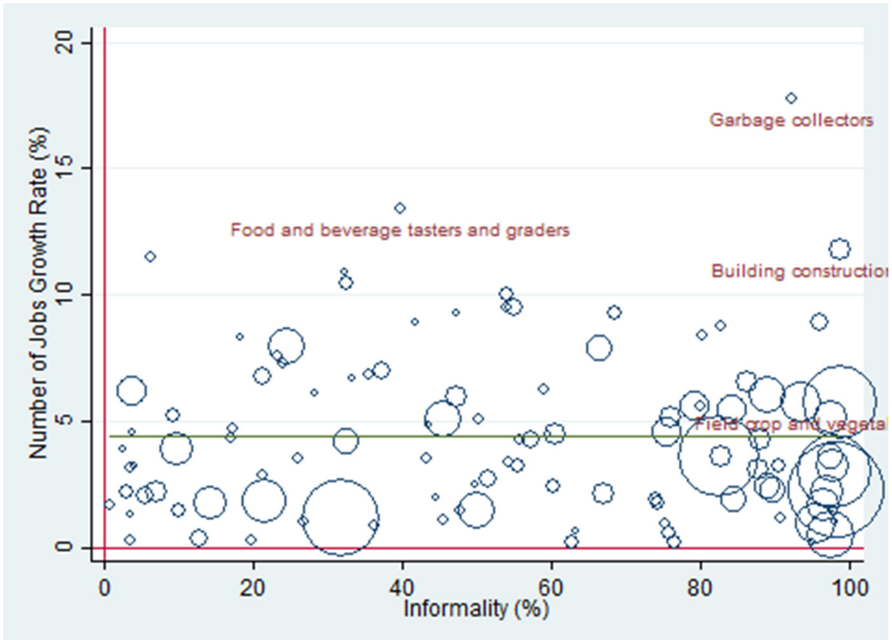
Source: Constructed using data from the Egypt Labour Force Surveys for the years from 2009 to 2019.

Figure 2: Evolution of Informality by educational level, years 2007-2019 (percentage)



Source: Constructed using data from the Egypt Labour Force Surveys for the years from 2009 to 2019.

Figure 3: Informality by employment growth, 2015-2019 (percentage)



Source: Constructed using data from the Egypt Labour Force Surveys for the years 2015 to 2019.

Looking at some of the root causes of this phenomenon, the most crucial explanation is that the Egyptian economy has long been unable to generate enough formal occupations to absorb the new entrants into the labour market, which has increased significantly since the 1990s (ECES, 2020). Because the cost of recruiting someone informally is far lower than the expense of hiring someone formally. This is because contracts that guarantee their rights and offer social benefits and insurance must be released. Furthermore, offering paid vacations and maternal leaves for mothers is seen as costly from a demand perspective.

For example, one of the child laws in Egypt states that if the employer has at least 100 female employees, they are obligated to open a nursery for the female workers' children. To avoid such costs, employers tend to hire up to 99 females and avoid going up to 100 to not be bound by the law.

"According to the law, if there were 100 working women or more, the firm was forced to construct a nursery; therefore, the majority of firms comply with the law by recruiting only 99 women and hiring the others as informal employees without registering them". (IDI with a social partner, 2021)

Higher salaries are among the reasons why workers choose working informally over working formally, even though the higher salaries might be unstable compared to the low-paying stable jobs.

"The factory where I used to work before offered a small salary. I had health and social insurance, but I left it for the higher salary here. So, it is normal that now if I get tired, God forbid, I will have money to go to the doctor, which I always do when I am tired. Well, if my wife or one of the kids got tired, I must take them to the doctor and pay for it because the insurance covers only me" (Worker, IDIs, 2021)

Similarly, employers in the qualitative study noted that some women prefer precarious employment to avoid losing state-provided social assistance programs such as Takaful and Karama.

"We had a project in which we intended to hire a group of women and plan to register them for social and health insurance, but we discovered that some of these women refused to work formally because they were terrified of losing the state-provided insurance (Takaful and Karama)". (IDI with employer, 2021)

Finally, qualitative data shows that skill requirements are minimal; the informal sector is the primary employer of workers with less than a high school education; this is confirmed by the majority of the qualitative participants who claimed that they do not need any educational requirements, particularly in blue-collar jobs.

Although the informal sector is rapidly expanding, our collected data revealed that it is facing various challenges. Most qualitative participants indicated that lack of social and health insurance is the main challenge that face workers in this sector. Although social insurance law No. 148 of 2019 implies that informal workers can join the social insurance system by paying his/her contribution and the government pays the employer's share, workers can obtain some benefits, including insurance against the risks of aging, disability, and death. It appears that there is a lack of awareness among informal workers about this law.

"In the informal sector, there is no fixed wage, health care, or insurance. He works day by day like the one who works in a coffee shop, if he got tired the employer will bear a day or two. There is no development for the human being himself" (Federation of Industries, IDIs, 2021)

In addition to a lack of social and health insurance, participants in the informal sector complained about poor working conditions such as long hours with no vacations, low pay, and job hazards.

"My leg was broken at work, and when I went on vacation, my boss fired me and hired a new employee... I work every day from 9 a.m. to 5 p.m., and my weekly salary is barely 300 LE (16$)". (FGD with women in the informal sector, 2021)

Furthermore, the qualitative research indicated that from the employer's perspective, the main challenge is the high turnover rate; they stated that informal workers are continually looking for higher pay and aren't committed to their work.

"There was a definite turnover problem in the ready-made garment sector; workers were always looking for a high rate, therefore if they found another factory paying more, they would move right to this factory" (IDI with a social partner, 2021)

Ultimately, there are several prominent reasons for workers' participation in the informal economy. Based on the research conducted in this report, these reasons include the costly nature of formal employment on the employer; the possibility for higher salaries in informal work; lower skill requirements to that of formal workers. Our research also indicates that informal work impacts women differently, as some women were hesitant towards accepting formal employment because they believed that it could lead to their loss of state-provided social insurance programs (i.e., Takaful and Karama). On the other hand, the qualitative research conducted indicates that there are significant challenges to informal work. Most notably, there is a lack of legal awareness amongst informal workers concerning joining the state's social insurance system. Additionally, the existence of poor working conditions also poses a significant challenge. Especially when coupled with the employers' concerns regarding the high turnover rate of its workers.

Chapter 2: The Gig Economy in Egypt

Gig economy platforms can be categorized into one of four sectors based on the type of services they provide 1) Asset-sharing services which include digital platforms which facilitate short-term Peer-to-Peer (P2P) rental, 2) transportation-based services which include digital platforms that require a freelance driver to complete the requested transport service, 3) Professional Services that include Digital platforms that connect freelancers directly with businesses to complete projects and 4) Handmade Goods, Household & Miscellaneous Services (HGHM) that include Digital platforms for freelancers to sell homemade crafts or offer on-demand services for household related tasks (Mastercard and Kaiser Associates, 2019).

The term gig economy is recent and still, there isn't any extensive literature in Egypt on it. Accordingly, the concept of tech-enabled workers has been used to overcome this obstacle. While tech-enabled employment is a broader umbrella than the gig economy, the idea of being tech-enabled is looking at the role of technology in conducting business and doing the usual day-to-day tasks.

2.1 CHARACTERISTICS OF WORKERS IN GIG/DIGITAL WORK

When we look at the characteristics of gig workers, we may distinguish between two types of jobs. The first category covers all white-collar professions, which include digital duties or tasks that rely significantly on technology, while the second category includes blue-collar employment, which relies mostly on physical tasks. Table (1) below shows that in terms of gender, qualitative data suggests that both males and females are represented in digital jobs in gig work, whereas most males exist in physical tasks such as driving, delivery, and some technical skills.

"The majority are males. We tried to increase the number of females, particularly since our females' performance is very high. We have a lady captain (driver) from Alex, and she is a role model, but until now we have only had 1% of females working as captains (drivers). Females think that this work is very hard". (Employer, transportation sector, IDI, 2021)

With regards to the youth and the elderly, both are represented in digital work, while the majority of young people are represented in physical tasks. In terms of education, data reveals that university graduates and qualified graduates form the majority of workers in digital activities, while lower educational levels constitute the majority of employers in physical responsibilities.

"Honestly, the certificates do not matter at all. Where he graduated from, is something that is not important for us at all. For example, if a student came to me doing animation, I would hire him". (Employer, digital platform sector, IDI, 2021)

Finally, findings indicate that language and technology skills are more essential in digital work, whereas technical and soft skills are more important in physical jobs. Some employers mentioned that they are looking for workers with minimal technology skills in some circumstances.

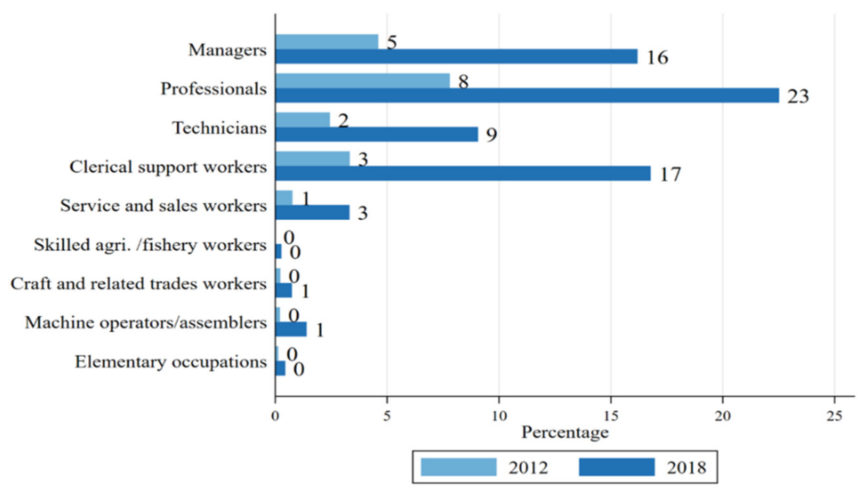
"The essential required skills in the call center position are creativity, the ability to connect effectively with clients, as well as certain community management skills". (IDI with an employer in gig work, 2021)

Category	***Digital tasks***	***Physical tasks***
Gender	*Male and female*	*Majority are males*
Age	*Diverse age groups*	*Majority are youth*
Level of education	*Majority are university graduates*	*Majority "secondary education and below"*
Skills	*Language and technological skills*	*Technical skills, soft skills, and limited technological skills*

In this report, a proxy for tech-enabled employment is given the available data from the ELMPS 2012 and 2018.

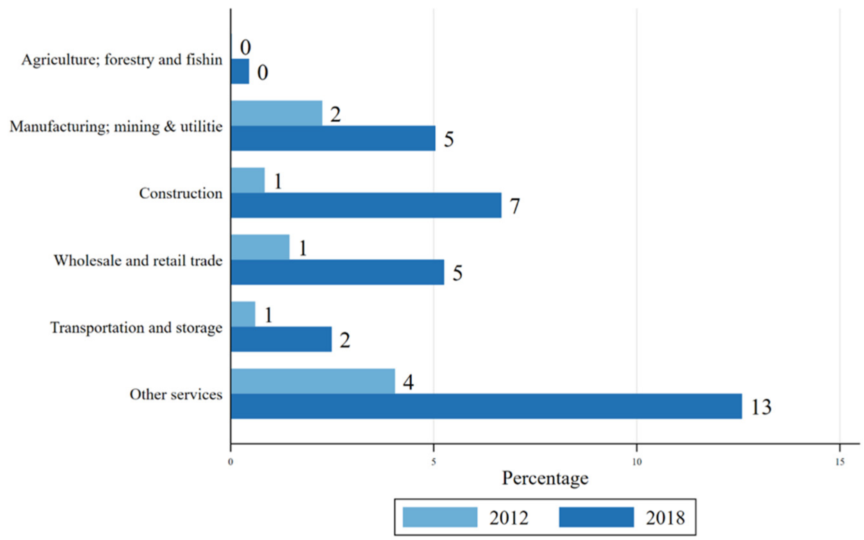
There is an increase in the share of tech-enabled employment over the years in white-collar occupations. In 2018 the percentage of tech-enabled employment jumped among professionals by 23%, clerical support workers by 17%, managers by 16%, and technicians by 9%. The highest increasing rate between 2012 and 2018 is among the clerical support workers, where tech-enabled employment increased by more than 400% (from 3% in 2012 to 17% in 2018). Technicians also observed an increase in using technology, where the percentage of tech-enabled employment quadrupled between the two years (from 2% to 9%) (**Figure 4**).

Figure 4: Tech-enabled employment, by occupation, employed individuals, over time, 2012 and 2018 (percentage)



Source: Constructed by the authors using data from the Egypt Labour Market Panel Survey of 2012 and 2018.

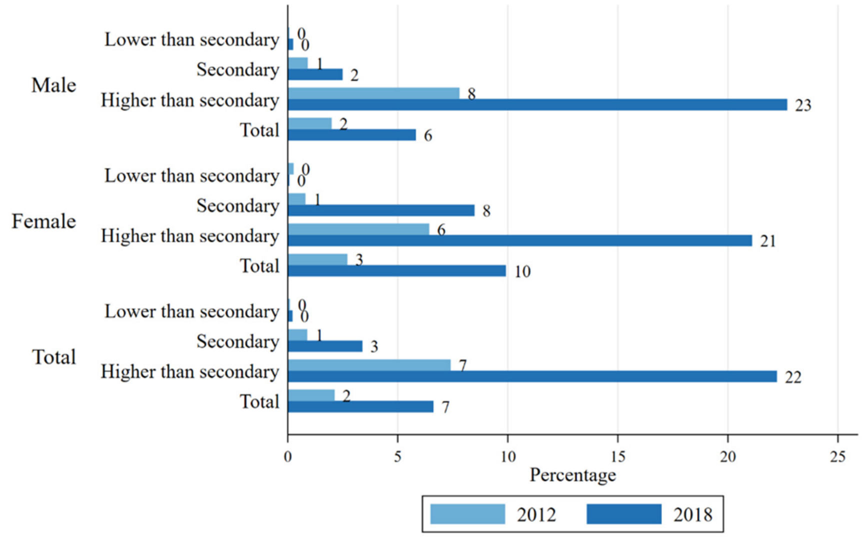
Figure 5: Tech-enabled employment, by industry, employed individuals, over time, 2012 and 2018 (percentage)



Source: Constructed by the authors using data from the Egypt Labour Market Panel Survey of 2012 and 2018

Looking into the demographics of labour in Egypt, we find that tech-enabled employment was present highly among those with higher educational degrees (22%), especially among men (23%). Tech-enabled employment remains absent among low-educated workers, whether men or women. However, the percentages of tech-enabled employment among secondary degree holders tripled over the six years, with a more pronounced increase among females (from 1% in 2012 to 8% in 2018) (**Figure 6**).

Figure 6: Tech-enabled employment, by education and sex, over time, 2012 and 2018 (percentage)



Source: Constructed by the authors using data from the Egypt Labour Market Panel Survey of 2012 and 2018

2.2 REASONS FOR THE RISE OF THE GIG ECONOMY IN THE EGYPTIAN LABOUR MARKET

There are several reasons for the emergence of the gig economy in the Egyptian labour market. The purpose of this section is to highlight and expand on these reasons to provide a holistic understanding of Egypt's gig economy.

The first reason is related to the technological advancement that the world has been witnessing. The ability to communicate large amounts of data and information quickly and cheaply has provided the foundation for the rise of gig and digital work. This was emphasized by the participants in the qualitative research, who claimed that technological progress had an impact on their work requirements.

> *"Nowadays, all traditional enterprises have shifted to the usage of digital technology and platforms; technology enables these firms to survive and create new job opportunities... Our company is utilizing digital solutions that are changing the traditional concept of employment". (IDI with gig employer, 2021)*

Another reason is the flexibility of working conditions that the gig economy offers to its workers. Many people choose the flexibility, freedom, and personal satisfaction that comes with working in the gig economy. In the qualitative study, the majority of both workers and employers said that gig work gives them more freedom to choose where, when, and how they work, and that this work flexibility can improve their work-life balan

"I work as a king; I work whenever I want and finish when I want. Also, the good thing is that if I am a student no one asks for papers, the most important thing is the license and the car license". (Male, digital, FGDs, 2021)

In addition, gig workers can work for multiple companies at the same time or shift between similar companies in the same sector. As a result of this flexibility, gig work allows workers to increase the workers' incomes.

"Many of us wanted to raise our incomes by working in the gig economy because our regular jobs couldn't support our family's expenses, so I worked at Uber to supplement my income". (Male, digital, FGDs, 2021)

From an employer's standpoint, the flexibility of recruiting employees in gig work might be one of the reasons why it attracts a wide range of workers, specifically since some companies do not require any formal documents to hire workers.

"As a student, I can work in delivery at any time, this job didn't require any official papers for hiring me". (Male, digital, FGDs, 2021)

As previously stated, gig and digital work rely on technology; therefore, because there is a gap between demand and supply, the majority of workers in the qualitative revealed that employers in gig work provide extensive training to their employees before hiring them; additionally, some employers are concerned with providing professional courses to build their employees' capacity, particularly training on technological and interpersonal life skills.

"We have a team committed to delivering specific training for new employees, such as a career plan, application training, and soft skills training, to assist them in communicating effectively with our clients." (IDI with gig worker)

2.3 CHALLANGES FACING THE GIG ECONOMY IN EGYPT

As previously mentioned, there are several reasons for the rise of gig work, particularly through allowing flexibility in working conditions and ease of hiring. However, it is important to mention that this type of work faces numerous hurdles. Thus, the purpose of this section is to outline these aforementioned points to provide a background and specificity regarding these hurdles.

In alignment with Egypt Vision 2030, and Egypt's digital transformation strategy, the Ministry of Communications, and Information Technology (MCIT) has embarked on building Digital Egypt. MCIT has implemented many projects to improve the quality of fixed broadband, assisting the country's ranking on worldwide indices. In January 2022, Egypt ranked first in Africa in fixed broadband internet speed on Speedtest Global Index, with a median speed of 35.67 Mbps. Furthermore, to improve communication services, major roads and governorates have been covered with mobile networks. Mobile services for citizens are also being improved by speeding up the issuance of permits for mobile carriers to erect cell towers, as well as by introducing additional frequencies that improve network efficiency and communication service quality (MCIT, 2022).

And although there have been improvements in technological infrastructure, there are still many challenges in this area. Several employers have reported that the quality of technological infrastructure still needs to be improved for their businesses to grow.

"Our work (digital work) is dependent on the use of platforms and mobile applications; we cannot grow as a business without a qualified and powerful technological infrastructure". (In digital work, IDI with an employer, 2021)

Egypt has launched a large-scale regulatory reform initiative to expedite its digital transformation. There are currently 55 rules and regulations in existence dealing with licensing, intellectual property rights, competition, cyberspace safety, data protection, and financial transactions. However, many of these are outdated or incomplete (World Bank, 2020). According to employers in the qualitative research, there is no clear digital and gig employment legislation.

"…but we need clarity, what do they intend to do in terms of the policies that regulate our work?" (Employer, various home services, IDIs,2021)

A supportive legal and regulatory environment is critical to the development of the digital economy (World Bank, 2020). Inadequate, fragmented legal frameworks or under-resourced institutions can lead to severe market distortions, stifle innovation, and deny citizens the benefits of technological advancement (Eisenach and Sori 2016). Laggard countries simply miss out on possibilities to attract investments and new solutions, and the consequences of missed opportunities are considerable, especially in a globalized marketplace.

Despite the government's numerous ICT initiatives, qualitative data show that the demand for technological skills for gig workers in Egypt is constantly expanding as a result of technological advancement. Gig employers mentioned that one of the key issues they face is the lack of skilled job seekers, particularly graduates from technical, vocational, and higher education institutes who lack relevant skill sets, notably in technology and technical fields.

"There is an increasing demand for job seekers who are qualified in technology, particularly in the post-COVID time. Egypt has a large number of graduates, but it is difficult to find qualified graduates, particularly in technology." (IDI with employer in the digital economy, 2021)

In the qualitative research, both workers and employers noted that the lack of social protection is one of the main barriers they face in their gig work, particularly those in delivery and transportation due to the numerous accidents they have on the job. Working in the gig economy causes organizational boundaries to blur, as well as the boundary between employment and self-employment, demanding a reassessment of social security law.

2.4 RECRUITMENT PROCESS IN THE GIG ECONOMY

There are two types of work relationships on digital platforms: workers are either directly hired by the platforms or mobile application (internal employment), or their work is mediated through a third party (employment/ placement companies) (external employment). Employers in the qualitative research stated that the type of employment depends on the legality of the company and the clarity of the law. To avoid the unclarity of the law, employers tend to hire workers through external employment (third party.)

"Anyone looking for a job can apply through the app, first we talk to him over the phone, then we decide whether we will interview him or not because the phone is the first thing where the customer meets the client. We talk to him, assess the way he talks, and, as soon as he passes this partial interview, we go through a physical interview to evaluate his appearance and personal hygiene. Then, comes the Technical Test, where he sits with an engineer who asks him questions to ensure he has the technical know-how". (Employer, various home services, IDIs, 2021)

CONCLUSION AND KEY RECOMMENDATIONS

As seen by the increase in the rate of informal and irregular employment, workers in the labour market are increasingly gravitating towards informal and irregular employment groups. This form of employment can place workers in a situation where they cannot claim social or economic rights from their employers. This can either be because informal workers are unaware of their potential options for social insurance or the nature of the work itself. The problem is exacerbated when there is a gap between the skills required for the job and the ones workers have, where employers report that the lack of skills among graduates pushes them to ignore the level of education in the hiring process.

It is important to note while joining informal and irregular employment groups is not optional for many, some workers and employers indicated that they prefer working on an informal basis due to the high salaries and the current policies. In another way, the gig economy could also be seen as a form of precarious employment, one that can require mixed skills (sometimes physical). As for the gig Economy workers, there are various ways to get recruited such as mobile applications and outsourcing companies. This form of work was attractive because of the flexibility in working conditions, freedom, and money earned. Even though the gig economy is growing rapidly around the world and in Egypt, some obstacles face those working in that sector of the economy. One of which is the legal environment. Digital infrastructure and skills required can also be seen as challenges faced by giggers. In addition to all that, risks and accidents were among the main difficulties facing giggers.

In light of these developments and the findings of the qualitative & quantitative research outlined in this report, it is important to provide a nuanced understanding and guidance of the future of work in the Egyptian labour market. Firstly, while there is a consistent collection of nationally representative data on the Egyptian labour market, it is important to not overlook the inclusion of important data sets (such as those on skills) nor those that are representative of the supply and demand sides of the labour market. Also, ensuring the availability of informal and formal data to the public is one of the things that should be considered as well when collecting data on a national level. The conduction of further national research into the gig and digital economy, and their relationship, is crucial to further support evidence-based decision-making. Additionally, It is worth considering the increased coordination on an inter-ministerial and private sector level; specifically about labour market information to create policies and initiatives that take into account the role of technological innovations in the gig economy. This can be done by bridging the gap between education and skills required in real life through new curriculums and teaching methods. Finally, designing new social protection policies that are tailored to deal with the changing forms of employment and provide safety and security for all workers is crucial to create and adopting legislation or regulatory frameworks that account for the gig economy and preserve those unique facets of the workers involved in it.

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Annex

Annex I: Quantitative Data

The Egypt Labour Force Surveys (ELFS) are nationally representative surveys that consist of a total number of approximately 90,000 households annually. These households are distributed on the governorate level (urban/rural), according to the estimated number of households in each governorate by the percentage of the urban and rural population in each governorate. The questionnaire design follows the latest International Labour Organization (ILO) concepts and definitions of the labour force, employment, and unemployment. The ELFS includes information about 1. Demographic and employment characteristics and basic data for all household individuals, 2. Employment characteristics and, 3. Unemployment characteristics. This data allows us to analyze occupations at the four-digit level following the 2005 Egyptian Occupation Classification which is, in turn, based on the ISCO of 1988.

The Egypt Labour Market Panel Surveys of the years 2012 and 2018 are nationally representative surveys that were carried out by the Economic Research Forum (ERF) in cooperation with Egypt's Central Agency for Public Mobilization and Statistics (CAPMAS). The final sample of the 2018 ELMPS included 15,746 households and 61,231 individuals. Of these households, 13,793 households included members from 2012 (10,042 panel and 3,751 split households) and 1,953 were refresher households. Among individuals, 53,040 were in households that included at least one individual interviewed in 2012 (i.e., either panel or split households), while 8,191 were in refresher households. Of the 49,186 individuals included in the 2012 sample, 39,153 (79.6%) were successfully re-interviewed in 2018.

Annex II: Qualitative Data

Qualitative sample and data collection instruments

Data collection took place with four different target respondents within the five study sites that targeted growing and shrinking sectors. A total of 41 in-depth interviews (IDIs) and 7 focus group discussions (FGDs) were conducted with policymakers, employers, workers, and development and training organizations (see A. Table 1). The research team applied a non-probability sampling in reaching the respondents of each target group using both, purposive and snowball sampling. Different versions of the IDI guide and FGD were developed for each type of target group.

Qualitative Fieldwork and Analysis

Data collection was conducted from December 2021 to February 2022 under the supervision of the national consultants. Participants for the IDIs and FGDs were recruited using snow-balling techniques and some of them were recruited through a collaboration with the Alexandria Business Association (ABA). The interviews and FGDs were held either virtually using online meeting programs (Zoom and Microsoft teams) or in person at the participants' firms or institutions.

All interviews were recorded, after which they were transcribed in the original Egyptian Colloquial Arabic, with a quality review of transcription conducted by the national consultants. The codebook was developed based on the above research objectives. The codes were grouped into families that covered the main themes of the data. The codes were revised and merged as needed during the initial stages of the coding process. This resulted in a list of 21 code families with over 180 sub-codes. All the data was uploaded to the ***Dedoose*** qualitative program for analysis (www.dedoose.com).

Table 1: Distribution of IDIs and FGDs by target respondents

Participants	**FGD**	**IDI**
Governmental policy makers	-	5
Employers	2	25
Workers	5	1
Development and training organizations	-	10
Total	7	41

Table 2: Distribution of IDIs and FGDs by governorate

Governorate	FDG	IDI
Greater Cairo	3	33
Alexandria	2	5
Damietta	1	1
Menya	1	1
Sharqiya		1
	7	41

Table 3: Distribution of IDIs and FGDs by industry

Sector	Sector Type (Shrinking/ Growing)			
	Growing		Shrinking	
	FGD	IDI	FGD	IDI
Furniture industry	0	0	1	3
Gig Economy	1	6	0	0
Manufacture and tailoring of ready-made garments	2	5	0	0
Manufacture of footwear	0	0	0	6
Non-metallic minerals industry	0	0	0	2
Other activities of other information services/GIG	1	2	0	0
Specialized construction activities	0	1	0	0

Table 4: Distribution of FGDs by location, industry, and gender

FGD	Location	Industry	Respondents	Gender
FGD1	Menya	Ready- made Garments	Formal workers	Females
FGD2	Online	Information Technology	Workers	Males
FGD3	Greater Cairo	Ready- made Garments	Informal workers	Females
FGD4	Greater Cairo	Digital Economy	Workers	Males
FGD5	Damietta	Furniture	Workers	Males
FGD6	Online	Traditional industries	Employers	Males

FGD7	Online	Hi-tech and knowledge-based industries	Employers	Males

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