

How Political Unrest Affects Young People School-to-Work Transition? Evidence from Egypt

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Short Abstract

This paper updates the state of knowledge on young people school-to-work transition in Egypt in the wake of the January 25th revolution. The hard labor market conditions following the revolution have been widely documented in the news, but very little data have been available to appropriately analyze those effects. We use panel data from two rich nationally representative surveys: the 2009 and 2014 Survey of Young People in Egypt (SYPE). This new panel data offers unique opportunity to gain a before-and-after picture of youth employment conditions and returns to education during this critical period of Egypt's history. The paper explores the revolution effect on probability of transiting to a first job, and the duration of this transition. It also investigates how the revolution affected job quality and job mobility among youth. We expect to provide evidence of the hardship position which young people have been facing during the 2009-2014 period.

Introduction

Egypt was at a stage in its demographic transition with a marked 'youth bulge', a period in which the proportion of youth in the population increases significantly compared to other age groups. This youth bulge has always posed opportunities as well as challenges for development. While it represents a "demographic window of opportunity" for economic growth (World Bank 2007), this demographic bonus is not automatic; it depends on the country's social and economic policy responses in the areas of youth education, employment and health. Such growing youth population in Egypt was more of a challenge, since it led to severe labor supply pressures on the Egyptian labor market. During the last two decades, the prevalence of long youth unemployment phases and informal jobs does not only testify the hardship position young people were facing, but also leads to doubts whether Egypt will reap the demographic bonus harvest or not (Assaad and Kraft 2013).

The hard labor market conditions following the revolution have been widely documented in the news, but very little data have been available to appropriately analyze those effects. The Egyptian largest demographic cohort, the young people, is currently making its way to adulthood during the slowdown of Egypt's economy following the revolution. This mandates a detailed analysis of the impact of the revolution on the employment and unemployment situation of young people in Egypt. This paper aims to contribute in filling this gap in the empirical literature, by exploring how the revolution affected the probability of transiting to a first job and the duration of this transition. It will also investigate whether the revolution has any effect on young people's job quality, formality status and job market mobility.

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Data and Methods

This paper uses data available from two rich nationally representative surveys: the 2009 and 2014 Survey of Young People in Egypt (SYPE). SYPE 2014 re-interviewed the same sample of young people surveyed in SYPE 2009 in all governorates of Egypt. The initial 2009 survey round targeted a nationally-representative sample of 15,029 young people aged 10 to 29, thus encompassing both "youth" and "adolescents." The purpose of this age range was to track young people throughout the complete duration of their transition to adulthood, allowing for an extended period to account for the phenomenon of delayed marriage and in some cases transition to productive work (Assaad and Barsoum 2007). In the 2014 round we successfully tracked 11,215 young individuals in the age range of 14 to 35.

The fact that SYPE was fielded less than two years prior to the revolution also offers a unique opportunity to capitalize on the natural experiment of the January 25th revolution and gain a before-and-after picture of the economic, social and political situation of young people during this critical period of Egypt's history. SYPE is the most comprehensive source of data on young people in Egypt today. Both surveys are rich sources of information on adolescents and youth conditions in Egypt before and after the revolution, including education, employment status, unemployment, job mobility, wage earnings, migration, family formation, health and sexuality, and civic and political participation. They also contain great deal of information on the household members' demographic and socioeconomic characteristics, housing conditions, ownership of durable goods, and access to basic services and infrastructure.

Being the first to empirically investigate the effect of the political unrest in Egypt on transition from school-to-work duration, this paper examines whether the revolution affected the time it takes for a new entrant to find a first job, and the magnitude of this effect. The analysis uses survival analysis techniques, including non-parametric, semi-parametric Cox proportional hazards (PH) model and parametric models. Additionally, this paper will highlight who successfully transitioned to a job during this period and the characteristics of those jobs (sector, economic activity formality status, regularity, etc.). Besides controlling for individual-and household-level and job characteristics, the effect of the revolution will be captured by introducing a dummy for the year 2011-2012. Moreover, in order to capture the effect of the revolution, the sample is limited to those who finished schooling two years before and after the revolution, i.e. during 2008-2010 and during 2011-2013, respectively.

Preliminary/Expected Findings

Preliminary results show traces of slower transition from school-to-work after the January 25th 2011 revolution. About 41% of young people found a job within two years from leaving school before 2011, compared to less than 34% after 2011. Young men are more likely to find their first job much faster than their women counterparts. After the revolution, almost 48% of young men found a job upon leaving school compared to less than 11% among young women. The time to first job increased by almost a year among men: before the revolution, around half of the men found a job upon leaving schooling, whereas after the revolution a year was needed for half of the men to find a first job. Young people first jobs are now increasingly in irregular informal wage work. Such evolution away from informal wage work shows more precarious work conditions that the young generations are facing.

References

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