



WOMEN'S ECONOMIC EMPOWERMENT IN EGYPT: WHERE DO WE STAND?

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INTRODUCTION

Women's labor force participation and employment rates in Egypt have recovered somewhat in recent years after declining for several years and reaching a low during the COVID-19 pandemic. Some sectors of economic activity are seeing both higher than average employment growth and faster growth for women than for men. These include wholesale and retail trade, accommodation and food services, information and communications, health and social work, manufacturing, and other services, which comprise real estate, professional, technical, administrative, entertainment, and personal services. These sectors offer good prospects for future growth of women's employment if Egypt's development trajectory is able to increasingly favor these sectors.

The downward trend in women's employment observed from 2010 to 2020 can be attributed to three structural factors that have characterized Egypt's development trajectory. First is the decline of employment in agriculture, a feature of all developing economies, and in particular women's involvement in it as mostly self-employed and unpaid family workers. While this trend might be somewhat exaggerated by measurement issues, it is typical of most middle income economies, which experience what has become known as the "U-shaped curve of female labor force participation" where female participation falls first as the role of unpaid work in agriculture declines with rising per capita income before rising again (Bandiera et al., 2022; Goldin, 1994; Verme, 2015). Second is the contraction of public sector employment as a result of long-standing efforts to downsize the public sector workforce in Egypt (Assaad, 1997; Assaad & Barsoum, 2019). Public sector employment had been the primary source of employment for educated women in Egypt and is strongly preferred to private sector wage employment, especially by married women (Assaad, Krafft, et al., 2022). Third is the reliance on investments in infrastructure, real estate, and new urban settlements as primary drivers of Egypt's economic growth during that period. For the most part, these sectors generate jobs in the male-dominated sectors of construction and transport, effectively leaving women behind.

Despite these three adverse structural factors for women's employment in Egypt, there are signs that the downward pressures on female participation and employment have recently reversed, with fairly rapid growth of female employment in the private sector in both feminized sectors such as the care economy sectors of education, health and social care, the manufacturing of textiles and wearing apparel, as well as in sectors such as wholesale and retail trade, information and communication services, accommodation and food services, and professional and other services. Unfortunately, most of that rapid private sector job growth has been in informal jobs that do not benefit from social insurance coverage. There are also positive signs pointing to the recent growth of women's own account work, which is a trend that should be strongly supported given its ability to provide remunerative opportunities for married women who need flexible employment arrangements.

The Egyptian government has placed women's economic empowerment among its top strategic priorities as exemplified by Egypt's Vision 2030 which seeks to promote gender equality "by empowering women economically, socially, and politically." (MoPEDIC 2023). The second strategic goal of Vision 2030 "Social Justice and Equality" explicitly calls for gender gap reduction and supporting equal opportunity. The Vision 2030 document notes women's low rate of participation and their higher unemployment rate and Egypt's low ranking in the Economic Participation and Opportunity sub-index of the World Economic Forum's Gender Gap Index (MoPEDIC 2023). It commits to raising female participation rates to 24% by 2030 facilitating access to job opportunities by encouraging home-based work and flexible working hours and by working with the private sector to ensure a safe work environment free of all forms of violence and discrimination. It also commits to develop the care economy and support women's income generation projects and entrepreneurship.

The Egyptian government promulgated in 2017 the National Strategy for the Empowerment of Egyptian Women 2030 under the leadership of the National Council for Women. The strategy sets as its second goal achieving women's economic empowerment through capacity development, entrepreneurship, and equal opportunities for women's employment in all sectors (National Council for Women, 2017). The strategy acknowledges that considerable inequality between men and women persists in terms of participation in economic activity, but sets ambitious targets to reduce these inequalities. It calls for interventions to promote and attract industries that create direct and indirect opportunities for women, policies and programs to support women-owned businesses, promoting financial services that target women, provide support services to working women, such as childcare, among others.

Achieving the ambitious goals set in national strategies such as Vision 2030 and the National Strategy for the Empowerment of Egyptian Women 2030 will require a development strategy that favors sectors that are open to women, such as the care economy sectors of education, health and social care, light manufacturing, tourism, information and communications, and other professional services, and that puts less emphasis on male-dominated sectors such as construction and transport. It would also require countering the decline of women's economic involvement in agriculture through asset-focused and financial inclusion programs that increase rural women's self-employment and income generation. The promotion of financial inclusion and improved access to digital technologies can also substantially increase opportunities for married women in urban areas to engage in flexible self-employment and entrepreneurship.

In what follows, I review the trajectory of female employment in Egypt since 2010 and then present a series of policy recommendation for reversing the recent downward trend by enhancing the growth of women-friendly sectors, redirecting public investments toward social infrastructure instead of physical infrastructure to reap the multiple dividends of growing the care economy, and promoting women's economic empowerment through targeted social assistance, asset ownership and digital and financial inclusion.

CHARACTERIZING THE TRAJECTORY OF FEMALE EMPLOYMENT OVER THE PAST 15 YEARS (2009-2024)

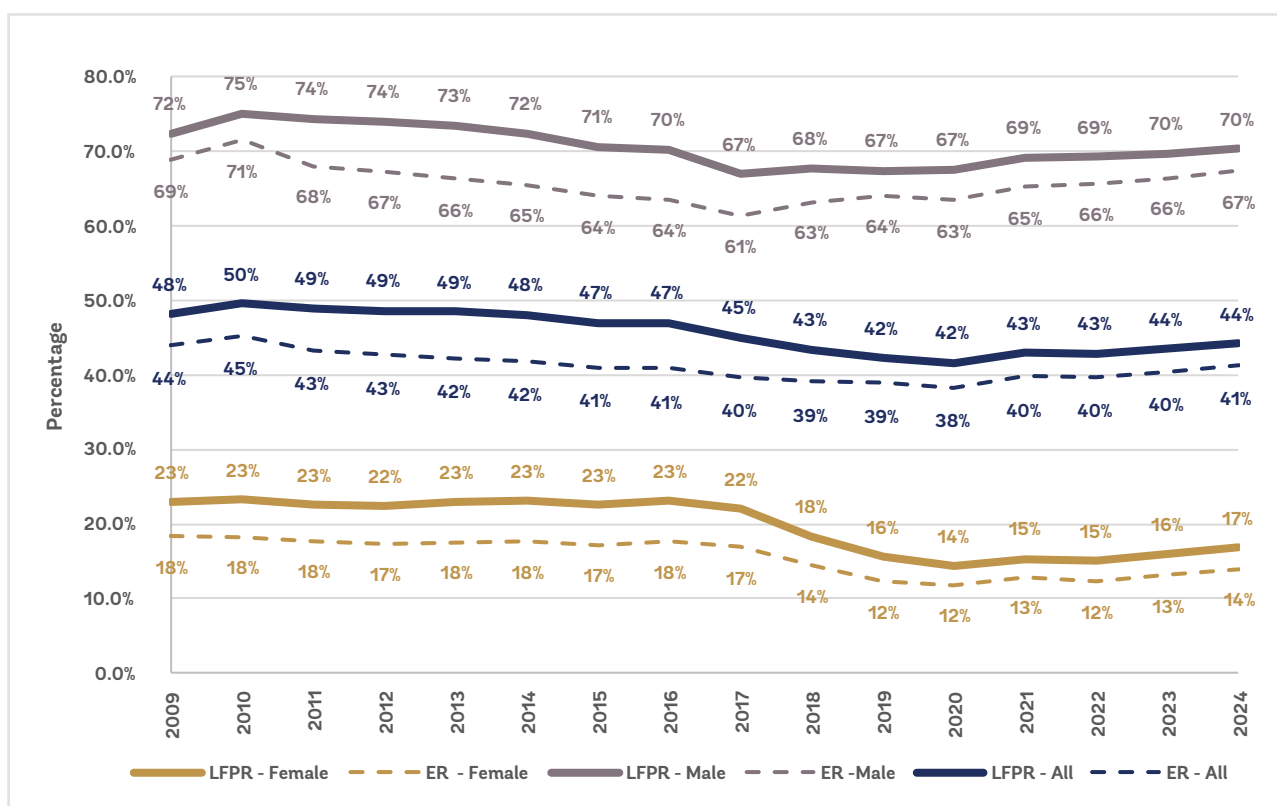
Employment rates have recovered for both men and women over the past four years after having declined substantially from 2010 to 2020. As shown in Figure 1, male employment rates recovered from a low plateau of 67% during the 2017-2020 period to 70% in 2024. Female employment rates also recovered from a low of 12% at the height of the COVID-19 pandemic in 2020 to 14% in 2024. They had declined appreciably from 2016 to 2020, although part of that decline appears to be due to measurement issues.¹ Prior to 2017, female employment rates had been stable at 17-18%, a period when male employment rates were declining substantially. Putting aside measurement issues, female employment has contracted at a rate of 1% per annum over the 2009-2023 period, compared to an increase of male employment at a rate of 2.0% per annum.

Paradoxically the measured large decline in female employment rates between 2016 and 2020 was not matched by an increase in female unemployment because female participation rates declined as well. In fact, as shown in Figure 2, the slow recovery in female employment rates post-pandemic coincided with a temporary increase in female unemployment from 2021 to 2022 as more women returned to the labor market and began searching for work again. Since then, the female unemployment has resumed its decline as both employment and participation rates recovered. Despite its substantial recovery since 2024, at 17% the female participation rate is still well below the Vision 2030 target of 24% by 2030 (MoPEDIC 2023).

To further explore the trajectory of female employment in Egypt since 2009, we analyze the evolution of the structure of employment by type of employment and by industry sector. The type of employment classification combines information on sector of ownership (public vs. private), employment status (employees vs. own account workers vs. contributing family workers) and formality. In accordance with the recommendations of the 21st International Conference of Labour Statisticians (ICLS-21) we operationalize informality of employment for employees based on whether or not the worker is covered by social insurance. The formality of own account workers is based on the formality status of their firm, but since firm registration in Egypt requires that the owner also register for social insurance, we use social insurance coverage as a marker of formality for own account workers as well. By definition, all contributing family workers are informal.

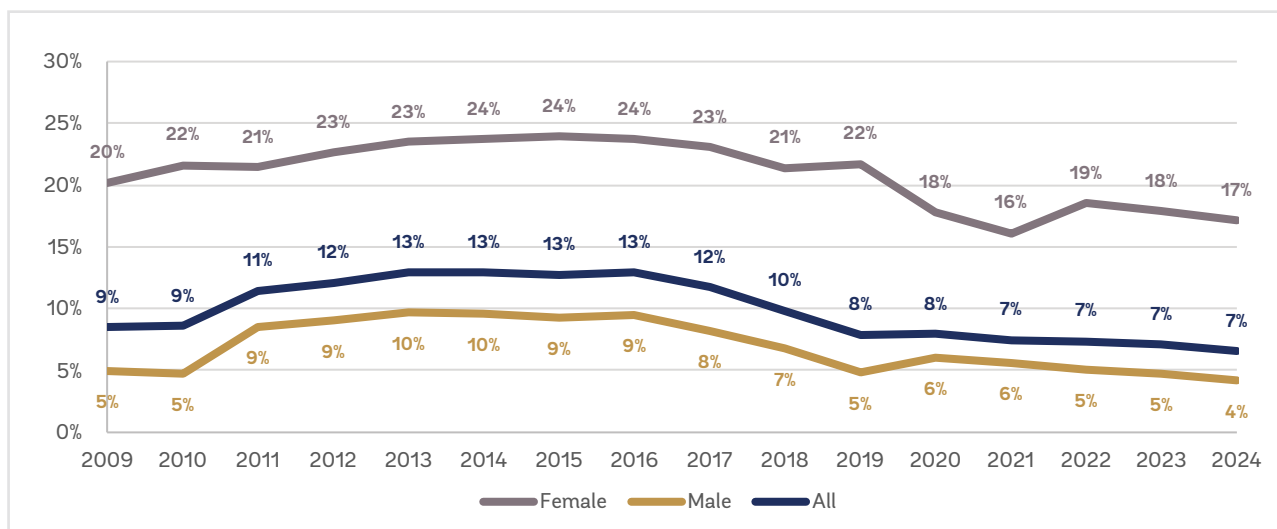
As shown in Figure 3, employment in Egypt is generally becoming more informal. The three categories of formal employment, namely public sector employees, private formal employees, and formal own account workers saw their share in total employment decline from 46% in 2009 to 33% in 2023. Much of the decline is due to the decline of the public sector share from 27% to 18% and the formal own account share from 8% to 3%. The private formal employee share fluctuated between 11% and 13%

¹ As we will see below, part of the large decline observed between 2016 and 2019 appears to be due to a sudden drop in women's measured involvement as contributing family workers in agriculture. As shown in Figure 3, there was a sudden drop in the share of contributing family workers between 2015 and 2016. Figure 4 shows a sudden drop in the share of agriculture from 2017 to 2018. Given the suddenness of these declines, they appear to be due to measurement issues in the Labour Force Survey rather than a reflection of real changes. No similar breaks are apparent for male employment.

FIGURE 1.**Trend of Labour Force Participation (LFPR) and Employment Rates (ER) by Sex, Ages 15+, 2009-2024**

Source: Author's calculations based on microdata from the Labor Force Survey (OAMDI, various years) and the Labour Force Survey Quarterly Bulletins for 2024.

Note: LFPR stands for labor force participation rate, ER stands for employment rate.

FIGURE 2**Egypt: Unemployment Rate by Sex, Ages 15-64, 2009-2024**

Source: Author's calculations based on microdata from the Labor Force Survey (OAMDI, various years) and the Labour Force Survey Quarterly Bulletins for 2024.

throughout the period. The fastest growing category of employment was informal private employee, whose share increased from 23% in 2009 to 42% in 2023. The share of formal employment among women did not decline as much as among men. It was 45% in 2009 and fluctuated around that level to reach 47% in 2023. The share of the public sector fluctuated from 30% to 44% of female employment but ended up in 2023 at the same level it was in 2009, 38%. Formal private employees increased their share of female employment from 5% to 8%, but formal own account workers had an almost negligible share of 1% in 2023.

Although the share of informal employment among women has remained fairly constant at just over 50%, its composition has shifted considerably over time, from being predominantly made up of contributing family workers (mostly in agriculture as we will see below) to being mostly informal employees. While some of this change could be due to measurement issues, not all of it is. Even beyond the sudden break we observe between 2015 and 2016, we observe that the share of contributing family work in women's employment has been declining steadily. As we will see below, this decline is mostly associated with women's declining role in agriculture where the boundary between women's productive and care roles is much more blurred than in other types of work. As noted in the introduction, this is a typical feature of a gradual transformation from an agrarian to an industrial and service-based economy. In general, the declining role of contributing family work in Egypt is not a phenomenon that is limited to women, but is also occurring for men, who experienced a similar decline from 8% in 2009 to 2% in 2023.

Women's informal own account work has made up around 10% of female employment as recently as 2021, but its share has increased substantially to 13% by 2023, suggesting potentially improving opportunities in self-employment and entrepreneurship for women. A similar increase in the share of own account work has not occurred for men. If this trend continues, this is potentially a promising area of future employment growth for women, which should be strongly supported by policies supporting women's entrepreneurship and directing credit to their activities.

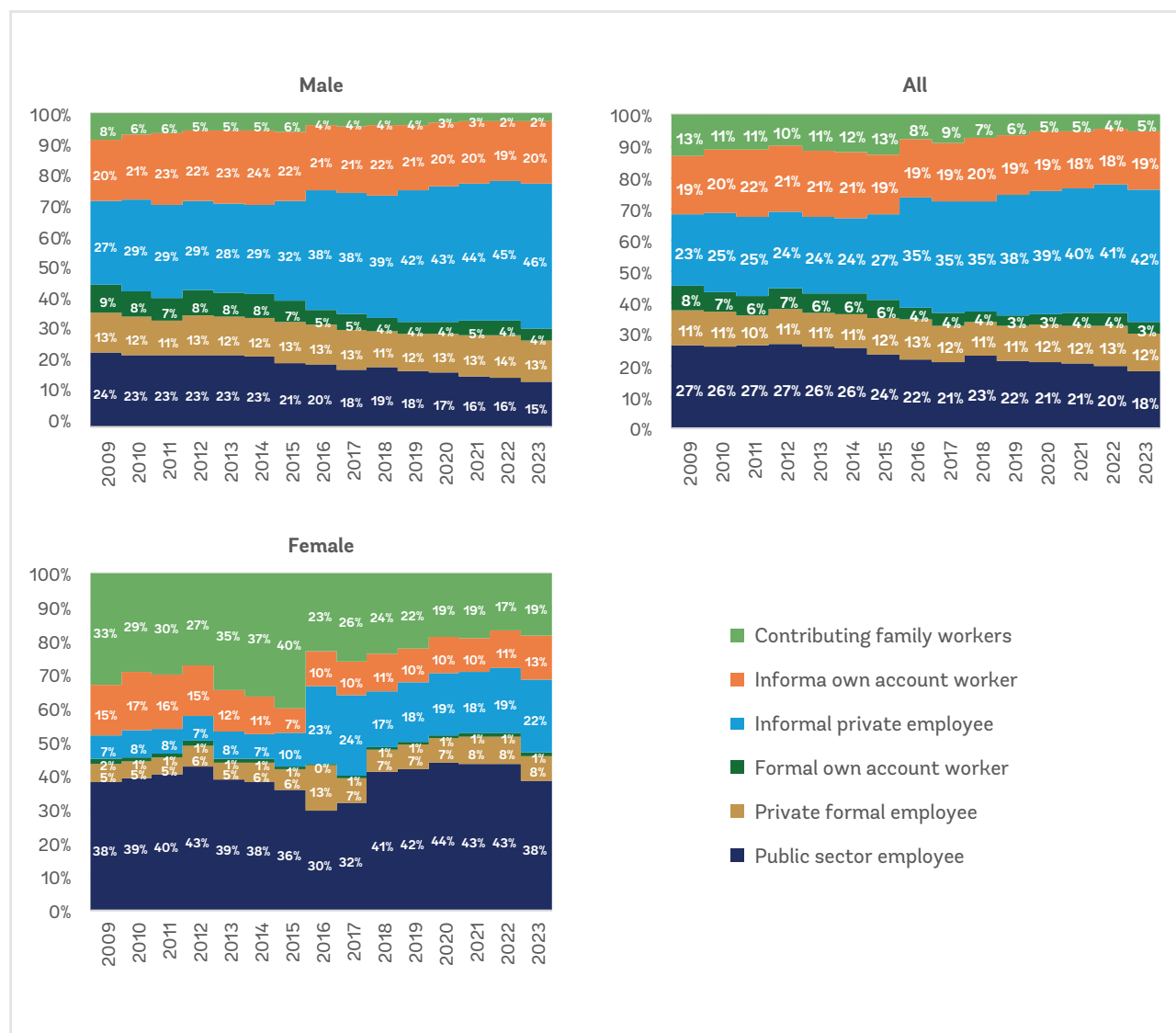
Informal private employee work has been by far the fastest growing type of work for women in Egypt. It grew at 8.6% per annum from 2009 to 2023, compared to just 2.7% per annum for its formal counterpart. Moreover, it has been growing faster for women than for men, for who it grew at 6.3% per annum. All other forms of female employment, including public sector work, formal and informal own account work, and contributing family work, have declined in absolute terms for women.

In summary, the decline in contributing family work (some of it may be due to measurement), own account work, and public sector employment was not counteracted by a commensurate gain in private wage employment, whether formal or informal, leading to a net loss in overall female employment at a rate of 1.0% p.a. over the 2009-2023 period, compared to an increase at the rate of 2% p.a. for men.

We now move to an analysis of the evolution of the structure of employment by industry sector. As shown in Figure 4, the most notable change in the structure of employment by industry in Egypt is the declining share of agriculture, which has fallen from 30% of employment in 2009 to 18% in 2023. The decline occurred for both men and women, but was much more pronounced for women. In fact, the sharp decline in the share of agriculture for women from 2017 to 2018 is indicative of measurement issues.² Nevertheless, putting aside the sharp downward shift in women's employment in agriculture from 2017 to 2018, there is still a downward trend in the years before and after that shift.

² We suspect that the share of agriculture in female employment was exaggerated in the earlier years in the LFS data. The ELMPS 2012 reports a female share in agriculture of 20%, which is significantly less than the 36% reported by LFS in that year. In contrast, the ELMPS estimate of 19% in 2018 is close to the LFS estimate of 21% in that year. See Assaad, AlSharawy, et al. (2022) for the ELMPS estimates. See (Anker & Anker, 1995; Assaad & Krafft, 2024; Langsten & Salem, 2008) for a discussion of issues relating to the measurement of women's employment in agriculture over the years in Egypt.

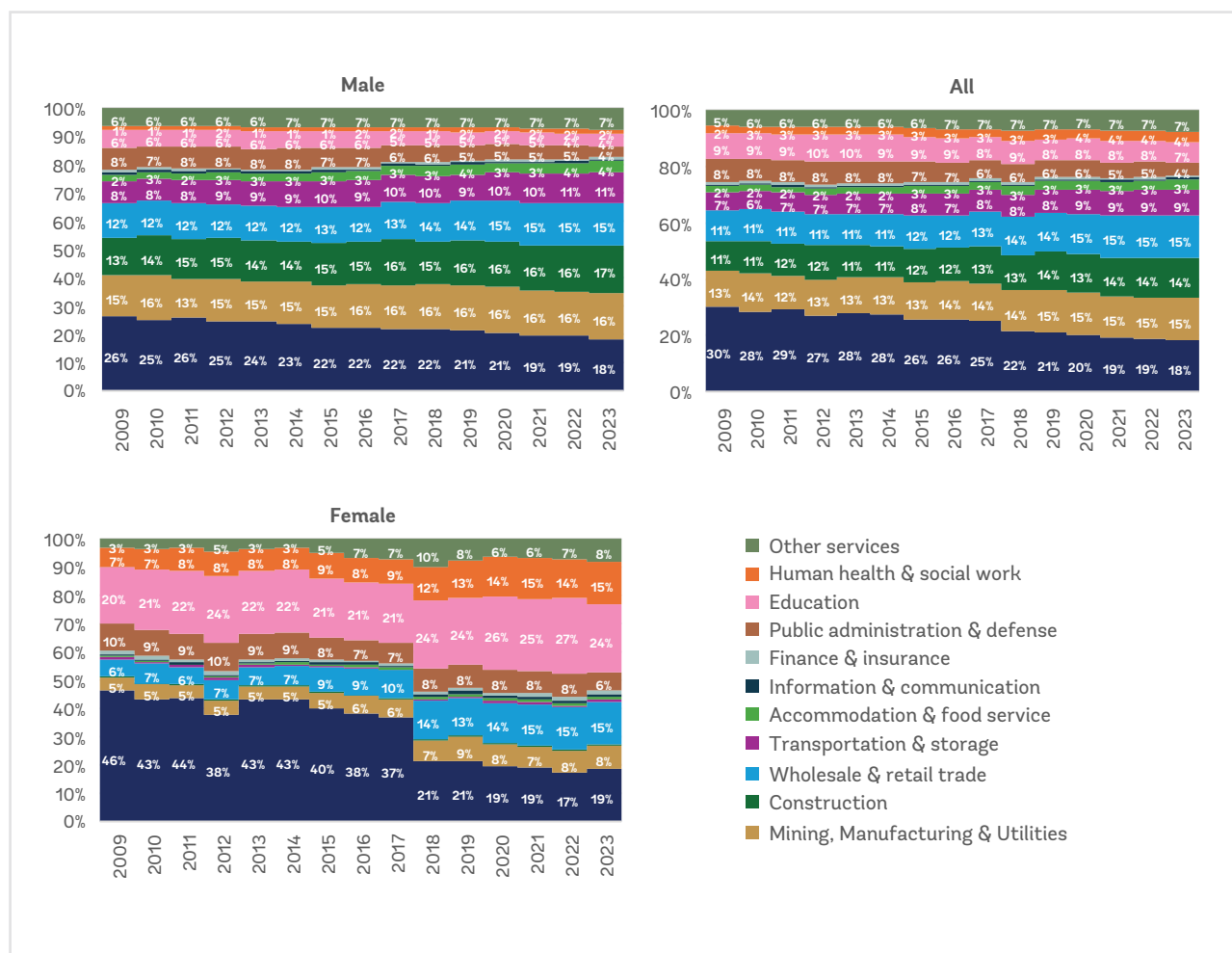
FIGURE 3.
Distribution of Employment by Type of Employment and Sex, 2009-2023



Source: Author's calculations based on microdata from the Labor Force Survey (OAMD), various years).

The other noticeable trend for employment as a whole is the increasing employment share of “construction”, “wholesale and retail trade”, and “transport and storage.” Two of these sectors, namely “construction” and “transport and storage” are essentially closed to women in Egypt. Together, they make up less than 1.5% of female employment and the female share in them almost nil (see Figure 5). These two sectors grew faster than average in the 2009-2023 period, with “transport and storage” growing at 4.2% p.a. and construction at 3.4% p.a. in the 2009-2023 period, compared to the average employment growth rates of 1.4% p.a. This confirms that the slower growth of female employment relative to male employment during this period is in part due to the fact that women were not able to capitalize on the growth of two of the fastest growing sectors in the Egyptian economy, namely construction and transport. Thus, the pattern of growth that has underpinned employment growth in Egypt has essentially left women behind.

FIGURE 4.
Distribution of Employment by Industry Sector and Sex, 2009-2023

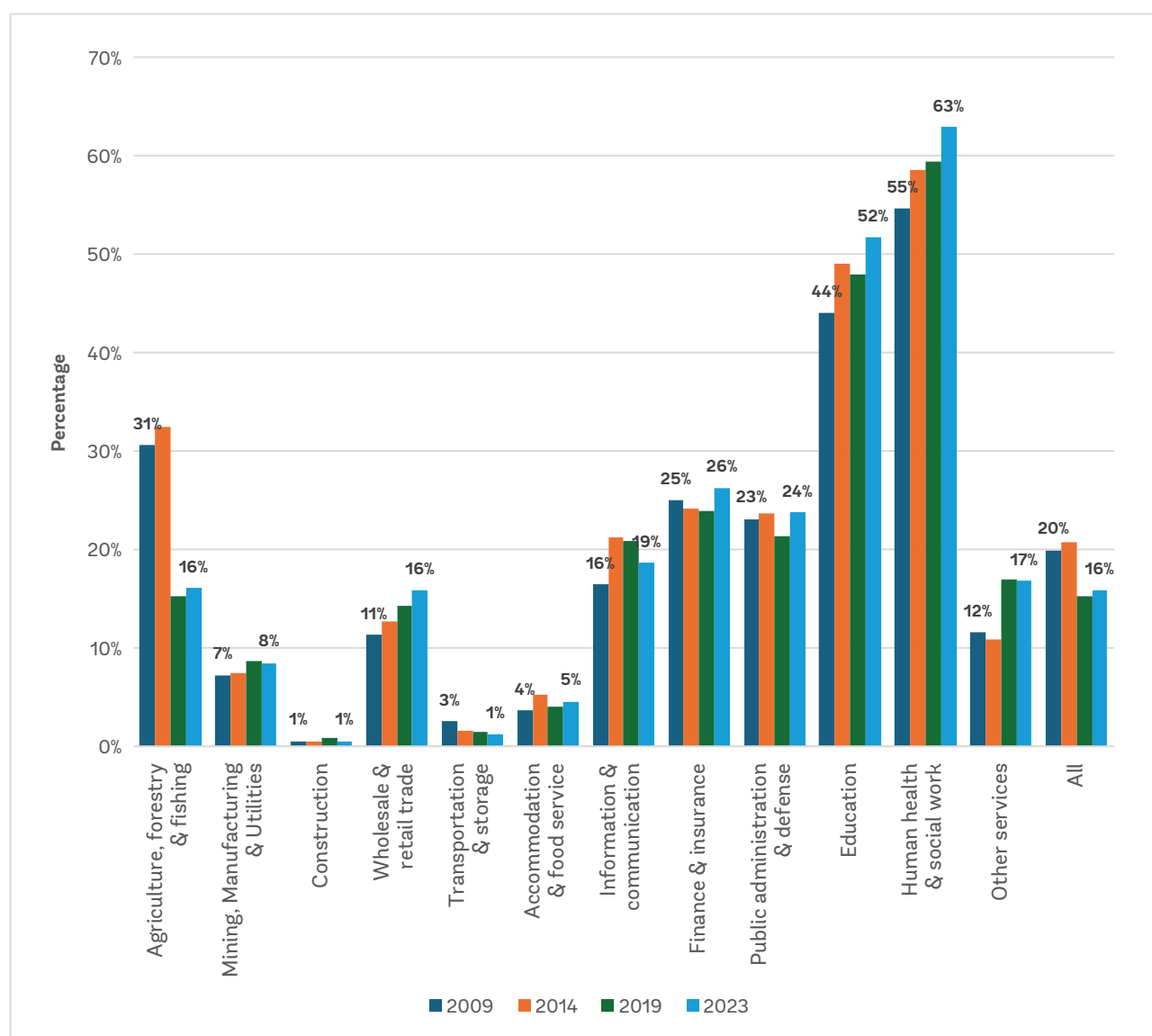


Source: Author's calculations based on microdata from the Labor Force Survey (OAMDI, various years).

Despite this, there are promising signs of growing female employment in other sectors of the economy. The sectors that have substantially increased their share in female employment are “wholesale and retail trade,” which more than doubled its share from 6% in 2009 to 15% in 2023, and the care economy sectors of “education” and “human health and social work,” which increased their share during this period from 20% to 24% and 7% to 15%, respectively. As shown in Figure 5, while “wholesale and retail trade” has a female share equal to the overall average of 16% in 2023, the care economy sectors are by far the most feminized sectors of economic activity in Egypt, with female shares of 52% and 63%, respectively in 2023. They are also becoming more feminized over time. The growth record of these three sectors has been mixed. Two of them, namely “wholesale and retail trade” and “human health and social work” have been among the fastest growing industry sectors in the economy, growing at 4.3% p.a. and 4.5% p.a., respectively, from 2009 to 2023. Women’s employment growth in them has been even faster at 6.8% p.a. and 5.3% p.a., respectively. Employment growth in education, on the other hand, has been disappointing, with the sector’s employment declining at 0.2% p.a. overall, and growing at only 0.6% p.a. for women. Since education is mostly in the public sector, its growth has been limited by the contraction of public sector employment overall.

There are other industry sectors that offer some potential for growing women's employment in Egypt despite their relatively small share in overall female employment. These include "other services" which comprise real estate, professional, technical, administrative, entertainment, and personal services, and which increased its share in female employment from 3% to 8% from 2009 to 2023. It had a female share of 15% in 2023, close to the overall average, but this share has been increasing over time. It was growing moderately fast overall (3.7% p.a.), but more rapidly for women (6.5% p.a.). Promising sectors for women's employment also include the "accommodation and food services" sector, which is closely connected to tourism. Although it only makes up just under 1% of female employment in 2023 and is mostly male-dominated, its employment grew at 5.4% p.a. overall and at 6.6% p.a. for women. The "Information and communication" sector also with about 1% of female employment in 2023, was growing at 3.0% p.a. overall and 4.6% p.a. for women. It also has a relatively high female employment share of up to 21% in 2019. Given the potential for substantially growing the exports for these tradable services, this sector represents an important potential source of employment for educated women in Egypt.

FIGURE 5.
Female Share of Employment by Industry Sector, 2009, 2014, 2019, 2023



Source: Author's calculations based on microdata from the Labor Force Survey (OAMD, 2019).

As noted earlier, the other sector losing employment for women other than agriculture was the public sector. This is reflected in the negative growth of “public administration and defense”, which is mostly made up of public sector jobs. With about a quarter of its employment made up of women, this industry sector has reduced its share in female employment from 9% in 2009 to 6% in 2023. It has contracted at the rate of 2.6% p.a. overall, and at an even higher rate of 3.0% p.a. for women. The freezing of the public sector hiring has been a long-term policy of the Egyptian government to address what was perceived as bloating in the bureaucracy, but it may have reached its limits after having been pursued for over three decades (Assaad & Barsoum 2019). It also affects married, educated women disproportionately given the inhospitable environment they face in the private sector (Assaad et. al 2020).

Another sector with disappointing employment growth for women has been “finance and insurance.” This is a relatively more feminized sector with an above average female share of 26% in 2023, but a sector that has seen virtually no employment growth overall and among women. This lack of growth could be linked to the technological transformation of this sector, which may have limited its job growth.

The manufacturing sector often receives a great deal of attention as a potential source of employment for women, particularly those with lower and intermediate levels of education. However, the share of the “mining, manufacturing, and utilities” sector in female employment was a disappointing 5% in 2009, which nonetheless increased to 8% in 2023. Overall, the sector has growing at more than twice the rate of overall employment growth over the 2009 to 2023 period (2.9% p.a. vs. 1.4% p.a.) and the sector’s growth rate for women was even faster at 3.9% p.a. The sector as a whole is not particularly hospitable to women, with a female share of 9% compared to the average female share of 16% in total employment (see Figure 5).

Since women’s employment in manufacturing is concentrated in a few subsectors, we delve a little deeper into the structure of this sector. Over two thirds of women’s employment in the overall “mining, manufacturing and utilities” sector is concentrated in three sub-sectors, namely “manufacturing of wearing apparel” (47%), “manufacture of food products” (15%), and “manufacture of textiles” (6%). Two of these sub-sectors, “manufacturing of wearing apparel” and “manufacturing of textiles” have a female share that is higher than the sector’s average female share (32% and 11% respectively). Employment in these three subsectors has been growing faster than average for the sector as a whole, with “manufacturing of wearing apparel” growing at 4.6% p.a., “manufacturing of textiles” growing at 3.4% p.a., and “manufacture of food products” growing at 4.0% p.a. Maintaining or accelerating the growth of these three manufacturing sub-sectors can therefore be a good source of future jobs for women.

Four other subsectors of the “mining, manufacturing and utilities” sector, have higher than the average female share for the sector as whole, but do not make up a substantial proportion of female employment in the sector. These are “manufacture of pharmaceuticals (3% of the sector’s female employment and 16% female share), “waste collection, treatment, and disposal activities” (3% of the sector’s female employment and an 11% female share), “other manufacturing” (3% of the sector’s employment and a 20% female share. Among these the “waste collection, treatment, and disposal activities” sub-sector is growing the fastest at 10.5% p.a.

The type of employment women hold is strongly related to which industry sector they work in. For example, female public sector employment in 2023 was primarily made up of the care economy sectors of “education” (49%) and “human health and social work” (25%), as well as “public administration and defense” (16%). Similarly, formal private sector employment was made up of “Education” (28%), “mining,

manufacturing, and utilities” (19%), “other services” (14%), “human health and social work” (13%), and “wholesale and retail trade” (9%). This suggests that growing formal employment for women will entail growing the care economy sectors, manufacturing (especially textiles and garments and food products manufacturing), other services, and to a lesser extent “wholesale and retail trade.”

Women’s informal private wage employment is made up of “mining, manufacturing, and utilities” (19%), “wholesale and retail trade” (18%), “human health and social work” (18%), “other services” (17%), and “agriculture” (12%). With the exception of agriculture, these are the same industry sectors that also generate formal jobs for women, so it is important to provide sufficient incentives or reduce disincentives for employers in these industries to hire women formally.

Finally, female non-wage employment is primarily made up of “agriculture” (48% in 2023 down from 89% in 2009) and “wholesale and retail trade” (32%). It is the apparent decline in agricultural employment that is therefore responsible for the contraction of female non-wage employment, although some of it is undoubtedly due to measurement. While opportunities as unpaid contributing family workers are declining, there are recent signs of growth in women’s own account work that can provide valuable opportunities for married women who need flexible work arrangements that can accommodate their large burdens of unpaid care work.

To conclude this analysis of the trajectory of female employment in Egypt, we can state that despite the fact that overall female employment is declining, there are clearly some bright spots showing emerging opportunities for women. Although the traditional sources of employment for women in Egypt, namely unpaid work in agriculture and public sector work have been declining, there are a number of emerging sectors that hold considerable promise for women’s work in Egypt. In fact, women’s employment has been growing faster than that of men in almost all of the growing sectors of the economy that are open to women. These include “wholesale and retail trade”, “accommodation and food service”, “information and communication”, “human health and social work”, and “other services.” Within manufacturing, women’s employment is concentrated in “manufacturing of wearing apparel”, “manufacture of food products”, and “manufacture of textiles”; subsectors that have actually been growing faster than the average for manufacturing employment as a whole. Two sectors that have not grown rapidly in previous years, but hold some potential for accelerating demand for female labor are “finance and insurance” and “education.” Although private sector wage employment has been growing relatively fast for women, most of the jobs being created are informal, calling for efforts to reduce the cost of formality to incentivize more employers to hire workers formally (Barsoum & Selwaness, 2022; Selwaness & Barsoum, 2023).

**POLICIES
RECOMMENDATIONS
TO FOSTER WOMEN'S
ECONOMIC EMPOWERMENT
AND INCREASE FEMALE
EMPLOYMENT IN THE
EGYPTIAN ECONOMY**

1. REVIEW MACROECONOMIC AND PUBLIC INVESTMENT POLICIES

As we noted above, women appear to have been left behind by patterns of growth in the Egyptian economy in recent years that have favored non-tradeable sectors such as construction and transport and storage; activities that are essentially closed to women. Thus, paying attention to macroeconomic and public investment policies that shape the broad trajectory of the economy is essential to understanding barriers to increasing female employment.

The structure of Egypt's foreign exchange earnings and its exchange rate policies have created a built-in bias against tradable industries such as agriculture, manufacturing, and tradable services that tend to have higher than average shares of female employment. Because of long-term reliance on rentier sources of foreign exchange such as oil and gas exports, Suez Canal revenues, and remittances, the Egyptian economy has suffered from the so-called "Dutch disease", whereby an overvalued exchange rate favors non-tradable industries at the expense of tradables. While the recent 2024 floatation of the exchange rate can potentially boost exports and limit import competition for tradable industries, this favorable trend will depend on whether the real devaluation of the exchange rates sticks in the medium and long-term and is not eroded by high differential inflation between Egypt and its trading partners. A properly aligned exchange rate can not only boost the traditional goods exports and limit imports, but it can also enhance Egypt's competitiveness in tradable services, which hold great promise for women's employment as discussed below.

Public investment policies in recent years have strongly favored investments in physical infrastructure and new urban settlements, which have in turn crowded in major private investments in real estate. These investments generate jobs while the construction projects are ongoing, but few jobs thereafter. Moreover, most of the jobs generated are in highly male-dominated sectors, such as construction, transport and heavy manufacturing. Public investments and investment policies should strive to crowd in investments in productive sectors, preferably directed toward exports, such as light manufacturing, information and communication, and other tradable services, such as tourism. Public investments and spending should also be redirected toward investments in social infrastructure, namely education, health and social care; investments which would not only bring about large returns in terms of human development, but ones that can also foster greater female economic empowerment and inclusion. We return to this point below.

2. CAPITALIZE ON EGYPT'S RENEWED COMPETITIVE ADVANTAGE IN LABOR-INTENSIVE LIGHT MANUFACTURING

With the latest floatation of the Egyptian pound, Egypt has achieved renewed comparative advantage in light manufactured exports, particularly textiles, wearing apparel, pharmaceuticals, and electronic assembly. These are all manufacturing sub-sectors that disproportionately employ women and offer substantial potential for further growth. The government needs to vigorously pursue policies to incentivize domestic investment and attract foreign investment in these sub-sectors by designating special industrial zones, streamlining investment procedures, and supplying concessionary financing. Growing these sectors is particularly important for the creation of employment for women with low and intermediate levels of education.

3. PURSUE POLICIES TO PROMOTE TRADABLE SERVICES SUCH AS INFORMATION AND COMMUNICATION SERVICES AND TOURISM

Tradable services are an increasing share of Egypt's export mix and can grow even further. Traditionally, the most important tradable service export in Egypt has been tourism, but the industry has suffered from the vagaries of the geo-political and security context that Egypt finds itself in. Women have also found it hard to access many tourism jobs, which are often located in remote areas that require living away from their families. Nonetheless, employment in the "accommodation and food services" industry, which is the closest proxy for tourism in the official employment data, has been growing rapidly over the 2009-2023 period (5.4% p.a.) and even more rapidly for women (6.6% p.a.). While the industry currently constitutes about 1% of female employment (compared to 3% of male employment), it has the potential to grow fast. Efforts should be made to prepare women for jobs in tourism by expanding specialized educational programs. More importantly, there is a need for efforts to make these jobs more reputationally safe for women and increase their social acceptability.

The second major type of tradable services that has tremendous potential for export growth is information and communication services. This includes information technology outsourcing (ITO), business process outsourcing (BPO), knowledge process outsourcing (KPO). A recent report on ICT jobs in Egypt (Selwaness et al., 2023) highlights the promise of these jobs for educated women in Egypt. The report suggests that ICT jobs in Egypt go well beyond the "information and communication" industry itself, which, as we saw above, makes up only about 1% of both total employment and female employment. They also include jobs in ICT occupations outside the ICT industry, amounting to a total of 1.9% of total employment and 2.3% of female employment in 2021. The report underscores the explosive growth of female ICT employment, which grew at an annual rate of 6.4% p.a. overall from 2009 to 2021, and at 10% p.a. in the private sector, in a context where overall female employment was declining. These jobs are more suited for university-educated women, with just under half of the women working in them working as data entry workers, receptionists, and call center operators, about a fifth working in technical assistance and sales, and just under a fifth as computing professionals and engineers. Currently, most of the female workforce in ICT jobs (82%) is unmarried, so more needs to be done to make these jobs more accessible to married women (Selwaness et al., 2023).

The Egyptian government is already doing a lot to expand employment in ICT jobs. The information and communication sector has been identified as one of three promising sectors in the National Structural Reform Program (NSRP) introduced in 2021 as part of Egypt Vision 2030 (MoPEDIC 2023). Egypt's digital strategy for the offshoring industry aims to triple the size of Egypt's exports of these services from 2022 to 2026 (MCIT 2022). The NSRP aims to create 120-140 thousand jobs in ICT by 2024 and increase the size of training programs provided by MCIT and its affiliated institutions by 20-25% per year (Selwaness et al., 2023).

One area which has great potential for employment growth for married women, who are more location and time-constrained than their unmarried counterparts is flexible, work-from-home, remote employment in ICT services, possibly directly with global IT firms. There is not much data currently available on the extent of remote ICT work in Egypt. There are currently international firms that are seeking to recruit, train and place thousands of workers in remote data analytics and data sciences jobs with global IT employers. This model of training and placement is currently being evaluated in Jordan, which, like Egypt, has a large number of educated married women with technical skills who could greatly benefit from being able to access flexible employment opportunities that they can engage in from their own homes.

4. TAKE ADVANTAGE OF THE TRIPLE DIVIDEND OF INVESTMENT IN THE CARE ECONOMY

Care economy investments can produce a triple dividend. First, they contribute to the human capital and capabilities of future generations of workers by expanding early childhood care and education, improving the quality of education, and contributing to improved health. Second, by expanding the paid care economy, they open up employment opportunities for women in one of the most feminized segments of the economy. In fact, besides having a high female share of employment, the care economy sectors of education, health and social care are the most likely sectors to employ married women. Third, the expansion of the paid care economy can directly relieve one of the most important obstacles to women's work outside the home, namely the large burden of unpaid care work (Economic Research Forum & UN Women, 2020; Atallah & Hesham 2024). Expanding child and elderly care services could directly relieve women from substantial amounts of direct care work. Expanding pre-school enrollment and making school schedules compatible with working women's schedules could allow many women to go to work. Improving the quality of schooling could also reduce the need for women to spend multiple hours every day assisting their children with homework (Assaad & Krafft, 2015).

Available evidence indicates that while women employed in the public sector in Egypt continue to work until the official retirement age of 60, a large majority of female wage workers in the private sector leave their employment at the time of marriage (Assaad et al., 2022; Selwaness & Krafft, 2020). This suggests that given the primacy of the male breadwinner/female homemaker norm in Egypt, women or possibly their spouses deem private sector wage employment to be incompatible with married women's care roles (Iparraguirre & Hadi, 2024; National Council for Women & World Bank, 2023).

Although international experience has demonstrated that provision of free or subsidized childcare can increase women's labor force participation (Bick, 2016; de Barros et al., 2013; Givord & Marbot, 2014), there is no guarantee that such a result would extend to the Egyptian context. Preliminary results from a randomized control trial that offered women in Egypt childcare subsidies showed modest take up rates and only slight increases in women registering for employment services and applying for jobs (Caria et al., 2022). A survey conducted by Baseera in 2020 found low demand for childcare services driven primarily by a belief that it was the mother's role to care for her children (Girgis & Adel, 2021; National Council for Women & World Bank, 2023). The survey also found that respondents generally find childcare services untrustworthy. Despite such results, there still could be significant unmet need for childcare among women who are already working. It is only by demonstrating that childcare is feasible and could be of acceptable quality that its broad acceptance in Egyptian society can be expanded.

Other policies that can help time-constrained married women from accessing employment are policies that incentivize employers to provide part-time and flexible work. Current labor and social insurance policies in Egypt discourage employers from hiring workers formally in part-time jobs. For instance, until recently minimum wages were specified in monthly terms rather than in hourly terms. The introduction of an hourly minimum wage for part-time workers in early 2025 could help encourage employers to expand the provision of such work. Furthermore, social insurance regulations specify a minimum *monthly* insurable wage. By imposing a fixed cost on employers that hire workers formally, these policies disincentivize part-time or flexible work arrangements that can allow women to reconcile their paid work with their care responsibilities.

5. EMPOWER POOR RURAL WOMEN THROUGH TARGETED CASH TRANSFERS, ASSET-BASED PROGRAMS AND PRODUCTIVE SELF-EMPLOYMENT

Women's economic empowerment involves more than employment. It also encompasses enhancing women's agency over economic decisions such as household expenditures and investments in children's nutrition, education and health. It is now widely accepted that one of the most effective ways to promote women's agency in these spheres is to direct household income toward women, whether through remunerative employment or cash transfers targeted to women (Coady et al., 2004; De Brauw et al., 2014; Kabeer, 1997, 2008; Nazier & Ramadan, 2018). The *Takaful and Karama* (T & K) cash transfer program in Egypt does just that. A recent evaluation of the program shows that the receipt of the cash transfer significantly increases household productive assets, as well as some types of livestock (Enbaby et al., 2022). Since it is women who are primarily responsible for raising livestock in rural Egypt, this entails a degree of women's economic empowerment. There is also some evidence that the program has positive effects on preparatory school enrollment and girls school attendance, and negative long-term effects on child wasting. The program was, however, found to have little impact on women's decision-making, but it did lead to more equitable gender norms among participants (ibid.).

Other targeted programs aiming to lift ultra-poor households out of poverty follow the graduation approach developed by the Bangladeshi Rural Advancement Committee (BRAC) in 2002 (Banerjee et al., 2015). These multifaceted programs are centered around the transfer of a productive asset, such as livestock, and include temporary cash assistance, coaching on how to manage the asset, life skills training, and savings groups. The idea behind these programs is that there is a great deal of earning potential among the

poor that is unrealized due to the inability of household members to either access outside employment opportunities or to obtain sufficient assets to sustain their self-employment. Poor rural women, in particular, have a great deal of unrealized earning potential because of social constraints preventing them from engaging in the sorts of casual wage employment that is the main form of livelihood available to their male counterparts. Given the division of labor in rural Egyptian household whereby men engage in wage labor and field crop production and women engage in home-based livestock production and unpaid care work, the most appropriate productive asset to capitalize on women's trapped labor is livestock.

The *Bab Amal* program piloted by the Sawiris Foundation for Social Development in Assiut and Sohag in Upper Egypt starting in 2019 is one such program that is currently being rigorously evaluated. Despite being given multiple options for assets and some choice as to whom would receive the asset, four-fifths of households opted for a livestock asset and the vast majority designated a woman as the asset manager even when given the choice. *Bab Amal* is therefore a *de facto* women's economic empowerment intervention.

Another such program in Egypt is the *Forsa* graduation program which was initiated in 2023 by the Ministry of Social Solidarity to graduate beneficiaries of the T&K program from dependence on social assistance by enabling them to engage in wage employment and self-employment. According to a recent evaluation, 83% of individuals who signed up for *Forsa* are women and the majority of households that signed up for the program signed up for the self-employment modality, reflecting the constraints preventing most rural women in Egypt from working as wage workers outside the home (Allen et al., 2023). In keeping with the gender division of labor in rural Egyptian households, the vast majority (85%) received sheep and goats.

These asset-based graduation programs are an excellent way to capitalize on the trapped employment potential of poor rural women who are severely constrained by social norms and family responsibilities from undertaking wage employment. By providing them with a productive asset suitable to their accepted role in the gender division of labor and some support on how to earn an income from this asset, they can unleash their productive potential. Furthermore, livestock is an appropriate product since its market is regional, if not national, and is thus unlikely to saturate local markets as the programs scale up. It is also a product that has maintained its value in highly inflationary times and could thus serve as a hedge against inflation for economically vulnerable households.

6. ENHANCE WOMEN'S ECONOMIC EMPOWERMENT THROUGH INCREASING FINANCIAL INCLUSION AND INCREASING ACCESS TO DIGITAL FINANCIAL TECHNOLOGY

Through a variety of strategies, the Egyptian government has pursued efforts toward financial inclusion, some of which are targeted toward women, who have traditionally had less access to the formal banking system. These include widespread access to electronic payment cards, mobile wallets, microfinance, and micro-savings schemes. International experience has shown that giving women access to digital financial services increases their control over their income, increases their labor force participation and earnings, and allows them to protect their earnings from the immediate demands of family members (Field et al., 2021, Riley, 2024).

Egyptian Women are commonly engaged in informal rotating savings and credit associations (ROSCAs) known in Egypt as *gameyas*. There are current efforts to build on this informal model that relies on trust and social solidarity by expanding it and facilitating it through digitalization. This includes the ElGameya App as well as the National Council of Women's *Ta7wisha* initiative that aims to digitalize and expand the existing model of village savings and loans associations (VLSAs). The objective of *Ta7wisha* is to provide a safe environment for association members to save and access microloans. *Ta7wisha* aims to reach 1.2 million women in 60 thousand VLSAs in 20 Egyptian governorates using a digital app and the Meeza contactless digital payment card that is being made available for free through public sector banks.

Increased financial inclusion and access to digital payment systems can empower women by giving them more control over their money, enhancing the security of their savings, encouraging them to save more, increasing their access to financing, and boosting their autonomy in spending decisions.

CONCLUSION

Despite the apparent decline in the measured rate of women's economic activity in Egypt in recent years, there are promising signs that, with the right policies, these trends can be reversed, leading to increased women's economic empowerment and employment. The primary cause of the decline is a reduction in women's involvement in home-based agricultural activities as self-employed and unpaid family workers. This is a common phenomenon in developing economies as they diversify away from agriculture, leading to a U-shaped female labor force participation curve when participation is plotted against country per capita income. The decline was compounded by a deliberate policy to shrink employment in the public sector and a development strategy that favored the growth of male-dominated sectors such as construction and transport. It appears that Egypt has reached limits in its long-standing policy of downsizing public sector employment and there is now a need to re-direct public spending toward the care economy sectors, with a focus on expanding the education, health, and social care sectors. With such a policy, Egypt can take advantage of the triple dividend of investing in the care economy, namely improved human development, increased female employment opportunities, and relieving women from some of the burden of unpaid care work. Whether care economy employment is created in publicly-owned entities or the activity is sub-contracted to private entities and NGOs is immaterial, so long as the financing for it is public.

With the correct macroeconomic and public investment policies, there are also opportunities to growth promising sectors for women's employment in which Egypt has a renewed competitive advantage. These include tourism, tradable communication and information services, and textiles and garments, pharmaceuticals, and other labor-intensive light manufacturing.

Reaching the poorest and less educated women, particularly those in rural areas, will take a different strategy because these women, especially when married, are severely constrained in their ability to take up full-time paid work outside the home. For them, a strategy that allows them to capitalize on their labor through asset-based approaches is more appropriate. A supported asset-based strategy can allow these women to learn how to make a living without leaving the safety of their home and can help them bring their families out of poverty. These asset-based strategies can be enhanced by financial inclusion efforts that economically empower women through savings, access to microfinance, and greater control over their money.

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APPENDIX

APPENDIX TABLE 1.

Average Annual Growth Rates of Employment by Type of Employment (percentage per annum), 2009-2023

Type of Employment	Male	Female	All
Public sector employee	-1.4	-0.4	-1.1
Private formal employee	2.5	2.7	2.5
Formal own account worker	-4.6	-4.6	-4.6
Informal private employee	6.3	8.6	6.5
Informal own account worker	1.2	-3.8	0.6
Contributing family workers	-6.6	-5.7	-6.2
Total	2.0	-1.0	1.4

Source: Author's calculations based on microdata from the Egyptian Labor Force Survey obtained from OAMDI (various years)

APPENDIX TABLE 2.

Average Annual Growth Rates of Employment by Industry Sector (percentage per annum), 2009-2023

	Male	Female	All
Agriculture, forestry & fishing	-0.4	-8.9	-2.2
Mining, Manufacturing & Utilities	2.8	3.9	2.9
Construction	3.4	4.3	3.4
Wholesale & retail trade	3.9	6.8	4.3
Transportation & storage	4.3	-1.4	4.2
Accommodation & food service	5.3	6.7	5.4
Information & communication	2.6	4.6	3.0
Finance & insurance	0.3	0.1	0.3
Public administration & defense	-2.5	-2.9	-2.6
Education	-1.0	0.6	-0.2
Human health & social work	3.5	5.3	4.5
Other services	3.2	6.5	3.7
Total	2.0	-1.0	1.4

Source: Author's calculations based on microdata from the Egyptian Labor Force Survey obtained from OAMDI (various years)

