

Rural Development and Unemployment in the Countryside

Nagwa Mosaad El-Agroudy, Mohamed Gamal Mady Abou El-Azayem and Monia Bahaa El-Din Hassan

*Department of Agricultural Economics, National Research Centre, 33 El-Bohouth St., (former El- Tahrir St.)
Dokki, Giza, Egypt. Postal Code: 12622.*

ABSTRACT

The phenomenon of unemployment is one of the biggest problems facing the Egyptian economy. Unemployment rate has reached about 13.20% in 2013. The Egyptian agricultural sector is one of the most important main sectors in the Egyptian economy, as the value of the agricultural exports represents about 14% of the total exports. Moreover, the agricultural investments represent about 4.29% of the value of the national investments. Labor force represents in the rural sector about 56.64% of the national employment and about 32% of the total rural population. This means that about 68% of rural populations are outside labor force in 2013 and the proportion of unemployment reaches to 1.34 million during the same year. It becomes clear from the study that unemployment in Egypt is an educated unemployment, as the vast majority of the unemployed are graduates from universities and secondary schools. Furthermore, unemployment has concentrated in the youngest category aged (15 – 30 years), which means that there is a waste in investment energies and resources. Also, it becomes clear that unemployment rate has risen among females more than males, especially in the countryside. The study has recommended the necessity of adopting a national strategy for the sustainable rural development, which helps to create the comprehensive development in order to achieve the economic and social progress.

Key words: Labor force, unemployment , unemployment rate , investments , rural development.

Introduction

Unemployment phenomenon is one of the biggest problems facing all governments in the various countries of the world because of what it contains of negative effects in all the economic, social, political, cultural and environmental aspects, especially after the recent financial crises and the contraction of the world economy and after the revolution in Egypt in 2011, which led to lay off a huge number of workers and to close factories. This requires from policy makers to put strategies at the macro level to reduce the aggravation of that phenomenon, especially the strategy of rural development in order to reduce unemployment in the rural community. Its impact would be reflected on unemployment in the urban society because it will lead to reduce immigration from rural to urban areas. Unemployment, in general, means to stop some of labor force in spite of having the ability and desire to work and produce. It happens as a result of the low investment, the decline in the cycle of the economic activity, the change in technology or the imbalance in labor market between demand and supply sides. Unemployment leads to a waste in economic energies and leads to social violence and political turmoil.

The agricultural sector is one of the most important main sectors in the Egyptian national economy, as a large proportion of population depends on it as a source of income and living, and depends on it in providing the greatest amount of food and clothing, providing foreign exchange through its exports and achieving the comprehensive economic and social development in the country. The value of the agricultural domestic product represents about 16.6% of the value of the gross domestic product, and the value of the agricultural exports represents about 14% of the value of the total Egyptian exports. In addition, the value of the agricultural investment represents about 4.29% of the value of the national investment. Labor force in the rural sector has reached to about 56.64% of the national employment in 2013. This makes the matter of developing the Egyptian agricultural sector a necessary and inevitable matter because of what the agricultural development represents of a very important impact and effect on reducing the rural development unemployment, and what results from it of reasons for the economic, political and social stability.

The Problem of Study:

The workforce in the countryside represents about 32% of the total rural population in 2013, which means that about 68% of rural populations are outside labor force. The statistics refer to the rise in the rate of

Corresponding Author: Nagwa Mosaad El-Agroudy, Department of Agricultural Economics, National Research Centre, 33 El-Bohouth St., (former El- Tahrir St.) Dokki, Giza, Egypt. Postal Code: 12622.
E-mail: nagwa_agroudy@hotmail.com

unemployment in the Egyptian countryside which reaches to about 1.34 million people in 2013, which justifies the low efficiency of the Egyptian economy in accommodating the workforce in the countryside.

Aim of Research:

Studying some economic variables in the Arab Republic of Egypt and studying labor force, the total agricultural and rural employment and unemployment rates and their distribution between urban and rural areas according to gender, males and females, distributed over different age groups. It aims, also, to study the relative importance of unemployment by the educational level between rural and urban areas during the period (2000 – 2013), and to study the role of agricultural development in solving the problem of rural unemployment.

The Method of Research and Data Sources:

The research has depended, in achieving its objectives, on the statistical, descriptive and quantitative analysis for the variables under study. Also, it has depended on the secondary data of the relative governmental bodies such as the Central Agency for Public Mobilization and Statistics, Ministry of Economic Development and the studies relevant to the subject of study.

Results

The Evolution of Population Growth:

The data of Table (1) show that the number of population in Egypt has reached to about 63.8 million people in 2000 and it has risen to about 84.63 million people in 2013, at an absolute increase estimated at about 20.83 million people. Moreover, it is shown from the same table that the number of rural population has reached to about 36.73 million people during 2000 and it has risen to about 48.42 million people in 2013, at an increase estimated at about 11.69 million people. It becomes clear from regression equations (1) and (2) in table (4) that the total and rural number of population has taken an increasing general trend, that is statistically significant, reached to about 1.571 and 0.893 million people respectively during study period. The rate of increase has reached to about 2.1% for both of them, and that is from their averages, during the period, which have reached to about 73.410 and 41.961 million people respectively. In addition, the data of table (1) show that the proportion of rural population has reached to about 57% of the total population during study period (2000 – 2013).

Table 1: The number of people in the Arab Republic of Egypt in the period (2000-2013)

Million people			
Year	Total population	Number of rural population	rural population/Total population%
2000	63.860	36.728	57.5
2001	65.182	37.064	56.9
2002	66.628	38.074	57.1
2003	67.965	38.835	57.1
2004	69.304	39.651	57.2
2005	70.653	40.466	57.3
2006	72.009	41.424	57.5
2007	73.644	41.924	56.9
2008	75.194	42.945	57.1
2009	76.925	43.842	57.0
2010	78.685	44.881	57.0
2011	80.530	46.041	57.2
2012	82.550	47.177	57.1
2013	84.629	48.416	57.2

Source: Central Agency for Public Mobilization of Statistics-Statistical Yearbook–population-different issues.

The Evolution of the most Important Economic Variables in Egypt:

The data contained in table (2) show the evolution of the gross domestic product from about 332.54 billion pounds in 2000 to about 1677.35 billion pounds in 2013, at an increase estimated at about 404.4%. Also, the rise in the agricultural domestic product is shown. This rise is from about 55.07 billion pounds in 2000 to about 243.36 billion pounds in 2013, at an increase estimated at about 341.9%. In addition, the fluctuation of the agricultural loans is shown from the same table between a minimum, reached to about 11 billion pounds in 2007, 2008, 2009 and 2010, and a maximum reached to about 15.9 billion pounds in 2013. The proportion of the agricultural loans has fluctuate to the agricultural national income between a minimum reached to about 8.7% in 2011 and a maximum reached to about 14.7% in 2001. The total agricultural saving has increased from about 10.33 billion pounds in 2000 to about 18.9 billion pounds in 2013, at an increase estimated at about 82.96%. It is shown from table (2) that the total national investment has increased from about 63.51 to about

199.53 to about 265.09 billion pounds in 2000, 2007 and 2013 respectively. However, inflation rate has risen from about 2% in 2000 to about 11.9% in 2011, and then declined to about 10.3% in 2013.

Table 2: The most important economic variables in the Arab Republic of Egypt during the period (2000- 2013)

LE Billion									
Year	Gross domestic product	Agricultural GDP	Agricultural loans	% Agricultural loans to the agricultural income	Total agricultural savings	Interest rates on agricultural loans	Interest rate in the banking system of the Egyptian %	National investments	% Inflation rate
2000	332.54	55.07	13	13.4	10.33	13.4	11	63.51	2
2001	354.56	58.37	14	14.7	10.42	14.7	10	67.51	3
2002	390.62	63.82	13	12.6	10.44	12.6	10	68.1	4
2003	456.32	69.25	13	11.1	11.16	11.1	9	79.56	11
2004	506.51	75.29	13	10.6	11.89	10.6	10	96.46	12
2005	581.14	81.77	12	10.3	13.56	10.3	9	115.74	4
2006	710.39	99.95	13	9.7	15.91	9.7	10	155.34	11
2007	855.3	113.1	11	9.6	16.66	9.6	9.6	199.53	11
2008	994.05	135.5	11	9.5	17.41	9.5	9	197.12	12
2009	1150.59	160.97	11	9.4	18.16	9.4	9.25	231.83	11.8
2010	1309.91	190.2	11	9.3	18.92	9.3	8.25	229.07	11.1
2011	1475.33	218.2	12	8.7	18.85	8.7	9.11	246.07	9.2
2012	1508.5	249.9	13.8	8.9	18.16	11	8.3	241.61	7.2
2013	1677.35	243.36	15.9	9.2	18.9	11.7	7.1	265.09	12

Source: Central Agency for Public Mobilization of Statistics - Statistical Yearbook – different issues. Ministry of Economic Development – Economic and Social Development Plan –different issues

Moreover, it is shown from table (3) that the total agricultural investments have fluctuated between a minimum reached to about 5.33 billion pounds in 2011, and the investments of the private sector represent about 50.3% of them and a maximum reached to about 11.38 billion pounds in 2013, and the investments of the private sector represent about 65.73% of them. This shows the smallness of public sector investments in the sector of agriculture. The agricultural investments represent about 2.2% and 4.29% of the total annual investments during the years of 2011 and 2013 respectively.

Table 3: Agricultural investments in billion pounds and percentage of national investments during the period (2000-2011)

year	Agricultural investments					The proportion of agricultural investments of national investments		
	Public sector	%	Private sector	%	Total	Public sector	Private sector	Total
2000	2.89	35.2	5.31	64.8	8.20	9.2	16.5	12.9
2001	3.7	38.5	5.90	61.5	9.59	10.4	18.5	14.2
2002	3.22	42.6	4.34	57.4	7.56	9.3	12.9	11.1
2003	3.56	47.1	4	52.9	7.50	8.4	10.8	9.4
2004	3.17	42.7	4.25	57.3	7.42	6.3	9.2	7.7
2005	2.8	24.8	5.24	65.2	8.04	5.7	7.9	6.9
2006	2.43	31.2	5.36	68.8	7.79	4.1	5.6	5
2007	2.85	35.3	5.22	64.8	8.07	4	4	4
2008	2.74	39.9	4.12	60.1	6.86	2.7	4.3	3.5
2009	2.88	42.7	3.87	57.3	6.74	2.74	3.1	2.9
2010	3.27	47.9	3.56	52.1	6.83	3.7	2.5	3
2011	2.67	49.7	2.70	50.3	5.37	2.9	1.8	2.2
2012	2.95	32.46	5.43	64.80	8.38	3.1	3.73	3.47
2013	3.90	34.27	7.48	65.73	11.38	3.9	4.53	4.29

Source: Ministry of economic development - economic and social development plan - different issues (2000-2013)

By estimating the general time trend for the studied economic variables during the period (2000 – 2013), the data of table (4) refer to that the gross domestic product, the agricultural domestic product, the total agricultural saving, the national investments and the rate of inflation have taken an increasing general trend that is statistically significant. The rate of the annual increase has reached to about 12.63%, 12.53%, 5.41%, 18.201% and 0.617% respectively, equations (3,4,7,10,11). In addition, the proportion of the agricultural loans to the agricultural national income, the interest rate on the agricultural loans and the interest rate in the banking system have taken a decreasing general trend that is statistically significant. The rate of the annual decrease has reached to about 3.66%, 2.42% and 2.06 respectively, equations (6, 8, 9). However, it is shown that the agricultural loans and agricultural investments have taken a decreasing general trend that is not statistically significant. The rate of the annual decrease has reached to about 0.04% and 0.72% respectively, equations (5 - 12) table (4).

Table 4: The equations of general time trend of some economic variables in Egypt during the period (2000-2013)

% The rate of change	F	R2	Equation	Statement
2.1	**1971.18	0.994	$\hat{y} = 61.630 + 1.571 x;$ (44.403)	1
2.1	**1505.82	0.991	$\hat{y} = 35.265 + 0.893 x;$ (38.805)	2
12.63	**321.08	0.964	$\hat{y} = 46.144 + 111.015 x;$ (17.919)	3
12.53	**147.95	0.925	$\hat{y} = 7.756 + 16.249 x;$ (12.103)	4
-0.04	0.003	0.083	$\hat{y} = 12.663 + 0.005x;$ (-0.056)	5
-3.66	40.36	0.771	$\hat{y} = 13.378 + 0.384 x;$ (-6.353)	6
5.41	**127.46	0.914	$\hat{y} = 8.953 + 0.814 x;$ (11.290)	7
-2.42	**7.837	0.395	$\hat{y} = 12.790 + 0.262 x;$ (-2.800)	8
-2.06	**25.580	0.681	$\hat{y} = 10.689 + 0.191 x;$ (-5.058)	9
11.43	**163.94	0.332	$\hat{y} = 22.701 + 18.207 x;$ (12.804)	10
6.90	**10.207	0.469	$\hat{y} = 4.314 + 0.617 x;$ (3.195)	11
-.72	1.227	0.093	$\hat{y} = 8.196 + 0.056 x;$ (-1.108)	12

* Data in parentheses refer to the bottom of the regression coefficient value (T) calculated.

Source: compiled and calculated the number of tables (1,2 and 3)

Where:

y: refers to the estimated value of the variable under study in a year (e).

x: refers to the time element of (1, 2, 3, 14).

R2= the coefficient of determination.

F= model Significant.

** Significant at the 0.01 level

* Significant at the 0.05 level

National and Rural Unemployment in Egypt:

It is shown from table (5) that national unemployment has ranged between a minimum reached to about 1.698 million people in 2000, representing about 8.98% of labor force. The upper limit of national unemployment has reached to about 3.649 million people in 2013 which represents about 13.21% of labor force during the same year. The rate of unemployment has fluctuated between a minimum reached to about 8.7% in 2008 and a maximum reached to about 13.2% in 2013. Moreover, agricultural unemployment has fluctuated between a minimum reached to about 64 million people and a maximum reached to about 1.34 million people during 2000, 2013 respectively. The proportion of agricultural unemployment represents about 36.72% in 2013.

Table 5: Unemployment rates and the volume of national and agricultural unemployment in Egypt during the period (2000-2013)

Year	Labor Force (million)	Unemployment rate (%)	National Unemployment (million)	Agricultural unemployment(million)	Rate of Agric to National Unemployment (%)
2000	18.901	8.98	1.698	0.64	37.69
2001	19.340	9.22	1.783	0.65	36.45
2002	19.877	10.17	2.021	0.67	33.15
2003	20.360	11.01	2.241	0.69	30.79
2004	20.872	10.32	2.154	0.078	36.21
2005	21.972	11.24	2.450	0.69	28.16
2006	22.878	10.64	2.434	0.71	29.17
2007	23.859	8.95	2.135	0.73	34.19
2008	24.651	8.70	2.144	0.75	34.98
2009	25.353	9.38	2.378	0.79	33.22
2010	26.180	9.00	2.351	0.83	35.30
2011	26.529	11.99	3.183	1.1	34.56
2012	27.020	12.70	3.425	1.22	35.6
2013	27.623	13.20	3.649	1.34	36.72

Source: Central Agency for Public Mobilization and Statistics - Annual Bulletin collected to discuss workforce - different issues (2000-2013)

By estimating the general time trend of the previous variables during the period 2000 – 2013, table No (6), it is shown that labor force, national unemployment, unemployment rate and agricultural unemployment

have taken a general increasing trend that is statistically significant. The rate of the annual increase has reached to about 3.12%, 1.78%, 4.94%, and 5.45% respectively, equations (1, 2, 3, 4), table (6).

Table 6: The equations of general time trend of the National Agricultural unemployment and the rate of unemployment in the Egypt during the period (2000-2013)

Statement	Variable	Equation	R ²	F	% The rate of change
1	Labor force	$\hat{y}; = 17.805 + 0.725 x;$ (34.799)	0.990	**1210.971	3.12 23.24
2	National unemployment	$\hat{y}; = 9.022 + 0.185 x;$ (2.074)	0.203	*4.301	1.78 10.41
3	Unemployment rate	$\hat{y}; = 1.532 + 0.120 x;$ (3.748)	0.734	**33.045	4.94 2.430
4	Agricultural unemployment	$\hat{y}; = 0.490 + 0.045 x;$ (5.354)	0.705	**28.663	5.43 .828

Source: compiled and calculated from table (5)

Where:

y: refers to the estimated value of the variable under study in a year (e).

x: refers to the time element of (1, 2, 3, 14).

R²= the coefficient of determination.

F= model Significant.

** Significant at the 0.01 level

* Significant at the 0.05 level

Labor Force and Unemployment according to Gender:

Table (7) shows the percentage of males and females of labor force during study period, as the proportion of males has reached its maximum by about 78.66% in 2001 and its minimum by about 76.08% in 2004 of labor force. However, the proportion of females has reached its minimum by about 21.34% in 2001 and its maximum by about 23.92% in 2004. In addition, the distribution of unemployment rate between males and females during the same studied period (2000 – 2013) is shown from the same table, as it is found that the unemployment proportion of males has ranged between a minimum reached to about 4.9% in 2010 and a maximum reached to about 9.6% in 2013. However, the unemployment proportion of females has reached to a minimum in 2007 of about 18.6% and a maximum in 2005 of about 25.09%. Moreover, it is shown from the same table (7) that the rural employment has reached to about 9.8 million workers in 2000. This proportion has increased to about 13.80 million workers in 2013, at an increase estimated at about 40.8%. However, the agricultural employment has reached to about 4.8 million workers in 2000. This proportion has risen to about 7.3 million workers in 2013, at an increase estimated at about 52% in 2000.

Table 7: Evolution of unemployment rate and contribution to labor force by gender in Egypt during the period (2000-2013)

Year	Contribution to Labor Force (%)		% Unemployment rate		Total rural employment (millions)	Total agricultural employment (millions)
	Males	Females	Males	Females		
2000	77.78	22.22	5.06	22.73	9.8	4.8
2001	78.66	21.34	5.60	22.57	9.9	4.7
2002	78.15	21.85	6.33	23.89	10.1	4.6
2003	77.79	22.21	7.49	23.31	10.4	5.0
2004	76.08	23.92	5.94	24.26	11.00	5.6
2005	77.03	22.97	7.12	25.09	11.3	5.5
2006	77.66	22.34	6.8	24.00	11.9	5.8
2007	76.14	23.86	5.9	18.6	12.9	6.4
2008	77.56	22.44	5.64	19.27	13.2	6.5
2009	76.56	23.44	5.22	22.96	13.5	6.3
2010	76.93	23.10	4.90	22.6	13.9	6.3
2011	77.43	22.57	8.9	22.7	13.7	6.1
2012	77.25	22.75	9.3	24.10	13.73	7.4
2013	76.6	23.4	9.6	24.5	13.80	7.3

Source: Central Agency for Public Mobilization and Statistics - Annual Bulletin collected to discuss workforce – different issues (2000-2013)

The Percentage of the Unemployed in Rural and Urban Areas:

It is shown from table (8) that the proportion of unemployed males in urban areas in 2000 has reached to about 43.1%, and the proportion of females has reached to about 56.9%. These proportions are higher in urban areas than rural areas, as they have reached to about 44.4%, 55.6% in rural areas, respectively. Then the proportion of unemployed males in urban areas has increased to about 51.7%, 53.6% and 57.57% in 2005, 2007% and 2012 respectively. This proportion has increased more than this proportion in rural areas during the same years. However, the proportion of unemployed females in rural areas has exceeded their proportion in urban areas, as they have reached to about 54.9%. 53.3%, 44.42% and 43.19% in 2005, 2007, 2012 and 2013

respectively. The increase in the proportion of unemployed persons in urban areas more than rural areas during 2007, 2011, 2012 and 2013, respectively, has been observed.

Table 8: Number and Percent of Unemployed Persons in Urban and Rural Areas by Gender during (2000, 2013).

Year	Urban Areas						Rural Areas						Country Total
	Males	%	Females	%	Total	%	Males	%	Females	%	Total	%	
2000	3396	43.1	4486	56.9	7882	46.4	4040	44.4	5061	55.6	9101	53.6	16983.0
2005	6334	51.7	5911	48.3	12245	50	5610	45.8	6642	54.2	12252	50	22938.0
2007	6262	53.6	5415	46.4	11677	54.7	4517	46.7	5158	53.3	9675	45.3	21352
2011	10623	57.02	8008	42.98	18632	58.53	7595	57.53	5606	42.47	13201	41.47	31833
2012	11063	57.57	8154	42.43	19217	56.11	8353	55.57	6677	44.42	15030	43.89	34247
2013	11312	57.38	8402	42.62	19714	54.03	9529	56.80	7246	43.19	16775	45.97	36489

Source: Central Agency for Public Mobilization and Statistics - Annual Bulletin collected to labor force – different issues (2000-2013).

The Relative Importance of Unemployment Distributed over Age Groups:

By studying the relative importance of unemployment according to age groups at the national level and at the level of urban and rural areas during the period (2000 – 2013) as shown in table (9), it is shown that age group of (20 – 24 years) occupies the first place in the proportion of unemployment at the national level, as it reached to about 43%, 47.7%, 40.5% and 40.77% in 2000, 2005, 2011 and 2013 respectively. In addition, the proportion of the unemployed persons in urban areas has exceeded the proportion of unemployed persons in the rural areas during 2000, 2005 and 2007. However, the proportion of unemployed persons has increased more in the rural areas in this age group than their proportion the urban areas during 2011, 2012 and 2013 respectively. However, the age group of (25 – 29) occupies the second place, as the proportion of unemployment has reached to about 25.8% in 2000 and 2007, 22.51% in 2011 and about 22.23% in 2013. But it has occupied the third place in 2005 by about 20.5%. The proportion of unemployed persons increases in the urban areas, in this group, more than rural areas during 2000, 2007, 2011, 2012 and 2013, as it has reached to about 29.2%, 28.7%, 23.3%, 24.86% and 24.14% respectively.

However, the group (15 – 19) has occupied the second ranking in the proportion of the unemployed persons at the national level in 2005, as it has reached to about 24.2%. In addition, it has occupied the third place during 2000, 2007, as it has reached to about 21.4% and 15.4% respectively and it has occupied the fourth place 9.87%, 11.19 and 10.7% in 2011, 2012 and 2013 respectively.

Furthermore, it is shown from the same table that the group (30 – 39) has occupied the fourth place in 2000, 2005 and 2007 by about 9.2%, 6.8% and 10% respectively. It has occupied the third place in 2011, 2012 and 2013. This proportion increases in the urban areas more than rural areas during all the years of study. However, the groups (40 – 49), (50 -59) have occupied the fifth and sixth places respectively.

Table 9: Relative importance of the unemployed by age group (15-60) during the period (2000-2013)

Age Groups	2000			2005			2007			2011			2012			2013		
	Urban	Country	total															
19-15	16.6	25.5	21.4	18.4	29.9	24.2	11	20.7	15.4	8.04	12.45	9.87	8.94	14.01	11.9	9.15	12.6	10.7
24-20	43.5	42.8	43	49.2	46.3	47.7	48	46.8	47.5	37.7	43.62	40.25	41.69	43.91	42.66	37.05	45.14	40.77
29-25	29.2	22.9	25.8	23.2	37.8	20.5	28.7	22.3	25.8	23.3	31.38	22.51	24.86	20.72	23.04	24.14	19.98	22.23
39-30	10.1	8.4	9.2	8.1	5.5	6.8	10.3	9.5	10	14.99	13.91	14.54	17.29	17.31	17.30	180.9	14.52	16.45
49-40	0.4	0.3	0.4	0.9	0.4	0.7	1.8	0.6	1.3	12.29	7.11	10.14	6.06	3.65	5.00	7.31	5.66	6.55
59-50	0.3	0.1	0.2	0.2	0.1	0.1	0.1	-	1	2.96	1.39	2.31	1.05	0.37	0.76	4.21	2.08	3.23
64-60	-	-	-	-	-	-	-	-	-	0.71	0.14	0.47	0.1	0.01	0.06	0.04	0.01	0.03
total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Central Agency for Public Mobilization and Statistics -- Annual Bulletin collected for labor force – different issues (2000-2013).

It is clear from the foregoing that the proportion of the unemployed persons is concentrated more in youth and middle-aged groups, whether in rural or urban areas. By making T test to compare between the two averages of unemployment between rural and urban areas distributed over age groups during the last three years, it is shown that the average of the sample is equal, which means that it is from the same society, as the calculated value of t was not significant and the estimated value of t = 0.99.

The Relative Importance of Unemployment by the Educational Level:

It is shown from table (10) that the proportion of unemployment in the category of high school degree occupies the first place at the level of urban areas during 2000, 2005 and 2007 by about 56%, 51% and 45.1% respectively. It has occupied the first place at the level of countryside by about 76.2%, 72.6%, 67.5%, 52.53%, 55.02 and 48.79% during 2000, 2005, 2007, 2011, 2012 and 2013 respectively. It occupies the second place by

about 37.78%, 39.81% and 37.46% in urban areas in 2011, 2012 and 2013 respectively. However, the proportion of unemployment in the category of academic and post graduate degrees represents the second place in urban and rural areas during 2000, 2005 and 2007. It occupies the first place for urban areas by 38.22%, 40.06% and 38.67% during 2011, 2012 and 2013. The proportion of unemployed persons, in the category of after high school degree, comes in the third place in urban and rural areas during 2000, 2005 and 2007. Also, it occupies the third place in urban areas only during 2011 and 2012 by 6.93% and 6.19%. However, it comes in the fourth place in rural areas by about 4.26% and 3.23% during 2011 and 2013 respectively. The proportion of unemployed persons, in the category of before high school degree, comes in the fourth place in urban areas during all the years of study except for 2000 and 2013, and in it comes in the fifth place in rural areas .in addition, the category of illiterates comes in the fifth place during all the years of study in rural and urban areas except for 2000 in urban areas. The category of reads and writes comes in the last ranking. Moreover, the increase in the proportion of unemployed persons in urban areas more than rural areas in the category of illiterates during 2000, 2005 and 2007, and the increase in this proportion in the rural areas more than urban areas during 2011, 2012 and 2013 respectively are shown from the same table, (10). The rise in this proportion is much observed in rural areas in 2013, as it has reached to about 13.14%, as it has occupied the third place for the other various categories.

Table 10: Relative importance of the unemployed by educational state during the years (2000-2013) in Egypt.

Educational State Geographic Area	Illiterate	Read & Write	Below Middle Education Degree	Middle Education Degree	High-Middle Degree	University & Postgraduate Degree	Total
Urban2000	0.9	1.3	1.2	56	10.4	30.2	100
Rural	0.8	0.6	0.7	76.2	6	15.7	100
Total	0.8	0.9	0.9	66.8	8.1	22.5	100
Urban2005	2	1.7	3.4	51	7.8	34.1	100
Rural	0.9	0.6	1.2	72.6	5.2	19.5	100
Total	1.4	1.2	2.3	61.8	6.5	26.8	100
Urban2007	2.2	1.0	3.1	45.1	9.3	39.3	100
Rural	1.1	0.7	1.2	67.5	4.7	24.8	100
Total	1.7	0.8	2.2	55.3	7.2	32.8	100
Urban2011	6.23	3.50	7.35	37.78	6.93	38.22	100
Rural	6.27	4.97	7.72	52.53	4.94	23.57	100
Total	6.25	4.11	7.51	43.90	6.09	35.14	100
Urban2012	2.96	2.76	8.22	39.81	6.19	40.06	100
Rural	3.60	3.4	9.25	55.02	4.26	24.47	100
Total	3.22	3.03	8.67	46.51	5.34	33.23	100
Urban2013	6.91	3.67	7.78	37.46	5.52	38.67	100
Rural	13.140	3.08	9.48	48.79	3.23	22.28	100
Total	9.77	3.41	8.56	42.67	4.46	31.13	100

Source: Central Agency for Public Mobilization and Statistics - Annual Bulletin collected for labor force – different issues (2000-2013).

In addition, by making t test to compare the averages between rural and urban areas in the various educational groups during the last three years, it is shown that the differences between the average of the two sample is equal, which means that there is a homogeneity between the two averages, as the calculated value of *t* was not significant. It is shown from the foregoing that unemployment in Egypt is an educated unemployment, as the vast majority of the unemployed persons are graduates from universities and secondary schools. It is observed that the proportion of the educated persons in the density of the unemployed ones is increasing. Moreover, unemployment is concentrated in the youngest category whose ages range between 15-30 years old. This means that there is a waste in investment energies and resources that are invested in the educational process without resulting in a return represented in employing this human energy to become productive. Also, it is shown that the proportion of unemployment is higher among females than males, especially in the countryside.

Also, it is shown from the study that one of the most important reasons of unemployment is population growth at high growth rates. This results in a growth in labor force at high rates not accompanied by creating constantly increasing job opportunities. The external economic dependency makes the economic fluctuations in the developed countries negatively affects the Egyptian economy and leads to a rise in unemployment rates. In addition, the aggravation of debt crisis because of the decrease of investment spending due to the depletion of hard currency in debt service and the deterioration of exchange rates affect the economic growth negatively, and thus lead to a lack in the job opportunities in the public and private sectors. Therefore it was important to develop a comprehensive strategy for employment in Egypt and to adopt a national strategy for sustainable rural development which helps to create the comprehensive development in order to achieve the economic and social progress through:

- 1- Expanding in infrastructure projects, especially in the countryside and supporting electricity networks, drinking water, road networks, sanitation and agricultural runoff.

- 2- Following modern methods of agriculture to increase the agricultural production, and introducing machine and genetic engineering systems in order to improve plant and animal breeds.
- 3- Giving an attention to pre-university education and university education and the associated services, especially in the countryside.
- 4- Expanding in providing health services, establishing hospitals and health units and developing the old ones.
- 5- Expanding in the field of social welfare, health insurance and pension for simple people and the destitute of peasants and workers.
- 6- Expanding in establishing the stations of radio and television transmission.
- 7- Expanding in the projects of land reclamation, establishing new urban communities and titling the reclaimed agricultural lands for young graduates.
- 8- Correcting the wages mechanism in labor market.
- 9- Giving greater importance to craft industries and small industries that can be relied upon to create new job opportunities.
- 10- Increasing the agricultural investment, especially the public sector which creates new job opportunities.

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